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Be Sure to Read

Beveridge & Canada 5, 8, 11
Postwar Trade & U. S. . . . 3
What's Behind Gold Rally 19

The Nation's Business

Why More Rationing Is Now Likely

The latest move on the price ceiling front is an important attack on inflation, from a different flank.

Up to now the price ceiling machinery was devoted to holding ceilings on some prices and, second, to compensating citizens, by a cost-of-living bonus, for increases in commodities on which ceilings could not, for one reason or another, be held. That policy presupposes the cost-of-living index moving up and, presumably down, a point or two, with civilian purchasing power adjusted by the bonus.

Now the W.P.T.B. brings up reinforcements and attacks on another flank. Now the aim is to halt and peg the cost of living. And to achieve that end the administration is going to lower some prices by means of subsidies.

Here in very plain language is what seems to have gone on in the minds of price officials: prices are creeping up and it looks as if the cost-of-living index is going to rise another point, which will mean another increase in the cost-of-living bonus for Canadian workers. Paying that cost-of-living bonus will increase business costs and will force up a whole chain of other costs. That will set up a big set of inflationary whirlpools. If we now reduce the cost of living, just enough to prevent the index reaching another point—even on comparatively insignificant items of family cost—we shall dam up that inflationary wave which would weaken our whole structure against inflation.'

The items now chosen for subsidy have puzzled many. Tea and coffee are comparatively small items of family cost. Because they are imports, however, the subsidy is easy to administer. A milk subsidy is much less easy to handle, but it is an important item of family cost and, anxious to improve the eating habits, health and energy of the Canadian people, the government probably had this secondary inducement to select this item. Oranges, which are not included in the computation of the cost-of-living index, are an import, hence easy to administer; of dietary importance. Action on this item has, of course, been neutralized by the price increase in the United States.

But what commodities were chosen for subsidy at this time is much less important than that reduction in their price should serve, for the time being, to hold down the cost of living.

In a controlled wartime economy such as we have adopted to help win the war as promptly as possible, the cost of such subsidies is—to the nation as a whole—nil, since what comes out of one pocket goes into another and there is clear gain from the operation in the protection it gives against the immeasurable hardships and injustices of inflation.

But uses of this method are limited. Serious difficulties and injustices would result from its widespread application to commodities for which different humans have a different need, preference, or capacity to buy.

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FURTHER MOVES ARE INDICATED

Two further developments are indicated.

First, more rationing, which is the only fair and sound method of providing equitable distribution of commodities in short supply and which, in itself, is an important anti-inflationary tool.

Rationing is a grim, difficult business, but it is clearly a method of justice for all citizens.

Mr. Ilsley and his price control men should not delay in following on where the logic of their entire programme leads them, and that is toward much more extensive rationing.

Second, price men are now demonstrating awareness of the effect the price ceiling has on much of Canadian business. Rising costs of goods and services which have squeezed through the price and wage ceiling, or which are outside its control, have hit some industries so severely that — without further increasing selling prices which further fuels the inflation fire — going out of business is the fate facing them.

Certainly among essential industries—and you will look far and wide today for an industry without some very valid degree of essentiality— this result is as undesirable as inflation itself.

Seemingly emerging now in price control circles is a new distinction between cost of living goods, such as foods, and so-called durable consumption goods, like clothing, furniture, etc.

Subsidies of the new type will probably be used where necessary and possible on the cost of living goods—the things all Canadians require. But on durable consumption goods which Canadians buy in varying degrees, and purchase of which can usually be postponed, it now looks as if the price controllers are on their way to making some upward adjustment of prices in the higher essentiality bracket.

This indicates a trend toward the British price control system, where prices on commodities essential for everybody, like common foods, are controlled and where prices on furs, diamonds and non-essentials are allowed to soar as high as people with money will bid.

While it is true that we can't have cake and eat it too, and can't avoid inflation without pain and hardship, the national cost of firms closing down is of unpredictably wide dimensions. Price policy makers should recognize that basic fact. The intimation of the new approach is that their anti-inflationary job may be done with much less noxious effects to Canadian enterprise.

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WE MUST REFORM OUR TAX METHODS

Importance of tax reform along the lines of the "Ruml" plan, is demonstrated by two specific cases reported to The Financial Post this week. All deal with the eight months tax debt that overhangs every Canadian who pays his taxes at the source.

First case is of an employee who died last September after earning $5,560 in 1942. To his widow goes a pension of $2,187 a year, and along with it a debt for back taxes of $1,335, payment of which will either cut her next year's income to $748 or force her into debt. There is also a claim against her husband's estate of nearly $550 for compulsory savings, some of which will be taken care of by her husband's insurance premiums.

Another is that of a man earning $2,500 a year who died leaving his wife with two young children and very little else. His estate will have to pay some $290 in back taxes, an amount roughly equal to what he would have to pay in succession duties to Ontario if he left an estate just above $25,000. He would not have to pay Dominion succession duties unless his estate were above $36,000, yet with not much more than a tenth of that amount, his estate is being called upon to meet $290 in back taxes.

In both of these examples, men who have made adequate provision for the future find their efforts sabotaged by our antiquated system of tax assessment. In the final case, the widow of a man who had been unable to provide for the future finds her burdens increased.

It was this sort of inequity that S. H. Logan of the Bank of Commerce had in mind when he stated in his presidential report to shareholders this week:

> "I believe with Mr. Ruml that the income tax debts of individuals constitute an increasingly dangerous weakness in our taxation system, that they cause widespread hardship and apprehension and that the cancellation of the old tax debts would be of such benefit to the morale and welfare of the country as far to outweigh any objections that can be raised against the plan."

New Subsidy Policy Checks Bonus Threat

W. P. T. B. Hopes Programme Will Stabilize Cost of Living, Averting Wage-Price Spiral; Last Minute Change Excluded Beef

By STAFF WRITER

OTTAWA.—Canada's price control machinery veers in a new direction as a result of the change in policy announced by Hon. J. L. Ilsley.

Chief implications of the new policy seem to be:

1. Price control emphasis has been shifted. The year-old ceiling programme gives precedence to a new objective—stabilization of the cost of living. This does not mean that the ceiling disappears. It means that ceiling prices may henceforth be moved, adjusted or subsidized.

2. Subsidy policy is also changed. The stress is on direct consumer subsidies in preference to subsidies to industry. If administrative difficulties can be overcome, the consumer subsidy is thought to be a cheaper and more direct method.

Consider Other Steps

A new price policy on durable consumer goods was forecast by Donald Gordon at a press conference following the Ilsley broadcast. Mr. Gordon said price adjustments and other concessions to relieve the squeeze on certain essential durable goods were being considered.

Reason for the new policy is the imminent threat of a secondary wage-price spiral which would have almost inevitably been set up in 1943 by reason of impending cost-of-living bonus payments in February.

It was admitted that the hoped-for seasonal decline in the index this winter had not materialized. New bonus payments would have brought an intolerable pressure on industries and trades forced to operate under the price ceiling. Amount of such payments is placed at $25 to $30 millions for each point the cost of living index soars.

It was only a few hours before Mr. Ilsley made his broadcast that it was decided not to include beef but to limit the new policy (for the present) to milk, tea, coffee and oranges. Chief reason for excluding beef, it is learned, was the administrative difficulty involved in lowering consumer prices by some type of subsidy. Had beef been included it is almost certain that it would have meant some form of rationing.

Whether the policy will be effective without the inclusion of beef remains unanswered.

On the basis of information made available to The Post it would appear that the reductions in consumer prices now allowed by the board will relieve the cost of living index 1¼ to 1½ points.

Weighting of Items

The present "weighting" of the five items under discussion is approximately 11.8% (inclusive of beef) and 7.3% without beef. That means that the four subsidized items (tea, coffee, oranges and milk) represent 7.3% of the total index on the basis of Nov. 1 figures. When the index was first compiled they carried a weight of 6.6%. Price changes in these items relative to the whole price structure of the index account for the change. The present weighting of milk alone is 4.6% and of beef 4.5%.

Oranges have never been under price ceiling. Tea and coffee were already subsidized to enable them to be sold at the adjusted ceiling prices of the base period last year. Some local upward price adjustments in milk has been permitted and the production of fluid milk was subsidized.

"Open Approach"

It is stressed by board officials that there has been no "tampering" with the index in any way except by an open approach to preserve wage-price equilibrium by a cost of living stabilization programme.

What the government is gambling in its new policy is that it can "swop" a potential wage bonus for an overall reduction in living costs which can be shared by all consumers everywhere.

One implication of the new policy is that the government is apparently intending to draw a line between consumable and durable goods so far as price ceiling is concerned.

The new plan implies stabilization of consumable or cost-of-living goods at current levels. However, Mr. Gordon intimated that in the case of durable goods of a non-essential character there might not be same rigidity so far as prices were concerned.

Beauharnois Records Gain

From Our Own Correspondent

MONTREAL. — Power output and dollar income of Beauharnois Light, Heat & Power Co. for 1942 will be well in excess of the 1941 returns, when the company reported an income of $5.5 millions. Despite the larger revenue, it is unlikely any net profit will be shown after provision for bond interest and depreciation.

During the past year the company stepped up its deliveries in Ontario Hydro to 225,000 h.p. Additional work was done on equipment and well over $2.5 millions spent on dredging. The latter work has now closed down for the season, leaving some $5 millions to be spent to complete the programme.

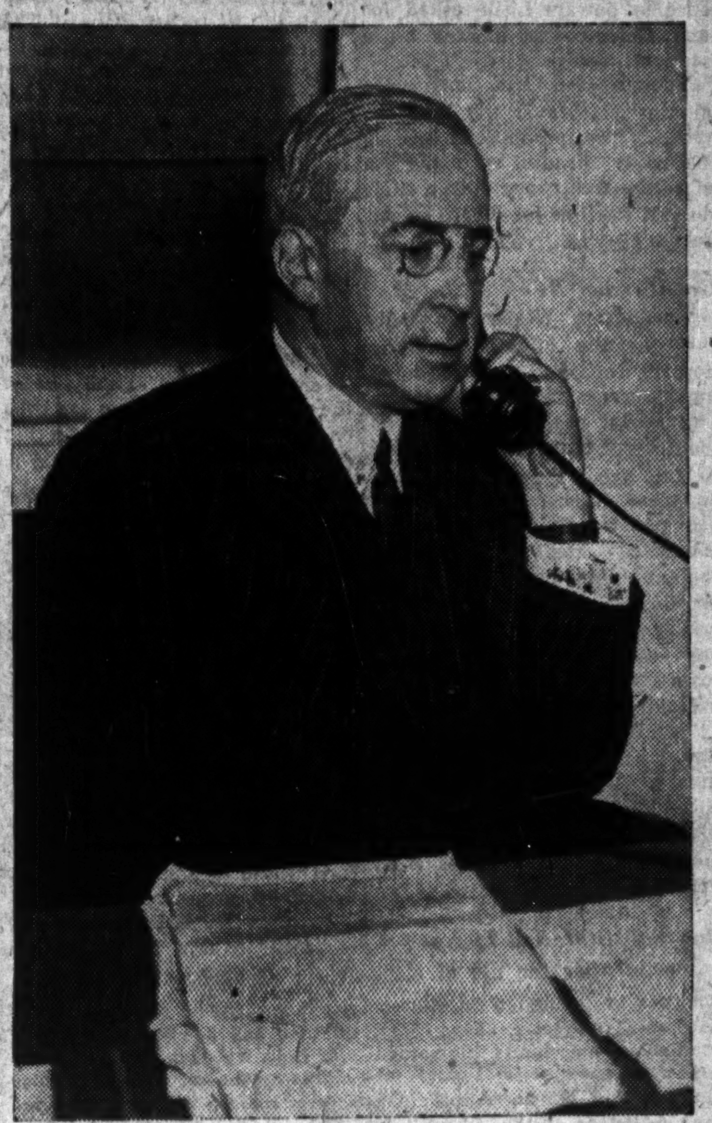
Diversion of Manpower Limits N. S. Coal Output

From Our Own Correspondent

MONTREAL.—Diversion of skilled mining labor into the armed services, either voluntarily or by induction, is given as the reason for the relatively sharp decline in Nova Scotia coal production. Despite the urgent need, Nova Scotia collieries produced only 550,000 tons last October, a decline of nearly 21% from that reported a year ago. Slightly more than normal absenteeism also has contributed to the poorer showing.

Several months ago the situation was drawn to the attention of the government. It was pointed out then, and on several occasions since, that the maintenance and increase of production is directly tied in with manpower. Loss of skilled workers, who cannot be replaced, to the armed services has continued. It is claimed that until steps are taken to see that coal miners are returned to the pits the country must be content with limited coal supplies.

Bank of Montreal's New Chief



Fresh from his triumph in the Third Victory Loan, George Wilbur Spinney, chairman of the National War Finance Committee, has become president of the 125-year-old Bank of Montreal and a director of the Royal Trust. Another of the long list of Maritimers to gain fame in Canadian finance, he was born at Yarmouth, N.S., 53 years ago and joined the staff of the bank there as a junior in 1906. In 1915, after service in several branches, he became secretary to the general manager, at that time Sir Frederick Williams-Taylor. He was made assistant general manager in 1928 and joint general manager in 1936. Alert, friendly, gifted as a public speaker, he has a knack of boiling a host of figures into one or two essential, dramatic facts.

F. D. R. Names Two Bosses

Canada's Manpower, Food Policies, May be Influenced

By ROBERT T. ELSON

WASHINGTON. — President Roosevelt has made appointments that will have repercussions on Canadian policies.

Secretary of Agriculture Claude Wickard has become the Food Administrator—given same position that Herbert Hoover filled in World War 1.

To silver-haired Paul McNutt, the President assigned the job of organizing American manpower. McNutt is given a post comparable to that which Elliott-Little was to have had in Canada.

Wickard's policies in food administration will influence many important decisions by Canada's Minister of Agriculture, Hon. J. G. Gardiner. Moreover the new food administrator may be forced to call upon Canadian help to achieve his objectives. This means closer coordination of American and Canadian agricultural problems.

McNutt's appointment signalizes the final scrapping of a voluntary "business-as-usual" method of meeting manpower problems. Coincidentally with his appointment the President terminated all voluntary enlistments in the American armed services.

If McNutt can make full use of his powers and organize manpower efficiently there will be increasing political pressure upon the Canadian Cabinet to do the same.

Last year Canada and the United States took some steps to co-operate in food production. Canadians increased coarse grain production, lowered immigration regulations to permit combine gangs to cross the border. Next year further co-operative measures can be expected. Canadian grain has helped fill certain lend-lease needs in Greece and Russia.

McNutt, who was given the manpower job when Secretary of the Interior Harold Ickes refused to leave his post and become Secretary of Labor, has many ideas in common with Mr. Little. He has framed most of the measures which are embodied in the President's executive order which gives him, as one observer here said, "More power over more men than anyone in American history." Prior to his resignation Mr. Little is understood to have had extensive discussions with McNutt. The Canadian's advice is said to have had an important influence on the U. S. procedure.

McNutt's first task here is to get the American military to agree on a basic decision in regard to the size of the forces.

His greatest handicap is his political background. He has been criticized because he has been so definitely identified with the New Deal, because of his reported presidential ambitions and his unusually good looks.

Review by O. S. C. Comes Next Week

A new hearing on the application for release of 11,500 pooled shares of Ontario Nickel Corp. will be given by the Ontario Securities Commission some time next week, The Financial Post is informed.

This rehearing follows the Board of Review findings that H. J. Fournier, applying for the release previously had not been given a full opportunity to present evidence. The Board of Review recommended that he be given a further hearing.

Some lawyers say the whole system by which mine financing is usually carried on in Ontario and most of Canada might be involved

See Modified C.M.P. Best For Canada

Discussions at Ottawa Will Settle Basis of Our Participation in New U. S. Controlled Materials Plan; Industrialists Consulted

By ARTHUR D. ELLWOOD

Basis of Canada's participation in the latest "priorities" scheme, the new Controlled Materials Plan of the United States, seems likely to be settled soon.

This week discussions have been held in Ottawa between Canadian priority officials and representative Canadian manufacturers. Other discussions follow aided by three U. S. officials—John T. Fennelly, vice-chairman of the Requirements and Programme Adjustments Committee of the War Production Board; Lieut.-Col. John Boyd, U. S. Army, who works in liaison with W.P.B.; Lieut. Commander Harry Morgan, Boyd's naval counterpart. Sydney Pierce, director of controls for the Washington office of the Department of Munitions and Supply, is also in Ottawa.

While nothing definite has come out of the deliberations yet, it is hoped in Canadian quarters that a modified plan will be applied in Canada—tailored to meet conditions in this country.

The present schedule calls for the C.M.P. to be fully operative in the United States July 1, following a period of partial operation beginning April 1 when the new programme will be co-ordinated with what is left of the Production Requirements Plan which it replaces.

Basic Difficulty

Already it is apparent, however, that difficulties develop when a priorities plan devised to meet U. S. war organization is applied to Canada's different organization.

The basic issue appears to be a choice between Canada either modifying her own Munitions and Supply set-up, or working out a modification of C.M.P. which can be adapted to our present organization and be acceptable to U. S. authorities.

Devised to replace the Production Requirements Plan, or P.R.P., which in turn replaced a previous method, C.M.P. takes its name from the control which it applies to three key metals—steel, copper and aluminum.

It is believed that distribution of less critical metals will be relatively simple once these three metals are controlled.

There are, however, 16 other materials which must be included in bills of materials and inventory reports. These 16 materials are not to be directly controlled at present, although provision is made for their future addition if it becomes desirable. These are:

List of C.M.P. Materials

- Beryllium.
- Cadmium.
- Cobalt—other than in steel.
- Cordage fibres:
  - Manila.
  - Sisal.
  - Jute.
  - Istle.
- Magnesium.
- Mercury.
- Mica—other than ground mica.
- Monel—natural.
- Nickel—other than in steel.
- Nylon.
- Rayon—high tenacity.
- Rubber:
  - Crude and Buna "S".
  - Liquid latex.
  - Reclaimed.
  - Synthetic.
- Tin—other than in tin plate.
- Tungsten—other than in steel.
- Wood.
- Zinc.

The new U. S. plan provides that production schedules will be controlled not only on the basis of what is wanted, as has been done in the past, but also will be limited to what can be manufactured from the materials available.

Two Classes of Products

All manufactured materials are divided into two classes, A products and B products. Generally A products are special war equipment and munitions such as airplanes, ships, guns, tanks, etc. They are purchased directly and manufactured for the claimant agencies.

B products are a specifically named and lengthy list, which may be purchased for direct war use but which also go into civilian use. They are generally products such as hardware, electrical appliances, generators, bearings, and other finished products of the regular civilian economy whether purchased for military or civilian use.

U. S. Claimant Agencies

In the U. S. there are seven "Claimant Agencies," the War Department, Navy Department, Maritime Commission, Aircraft Scheduling Unit, Office of Lend-Lease Administration, Board of Economic Warfare, Office of Civilian Supply.

Each submits its statement of requirements through the controlled materials division, the division of the War Production Board charged with supervision over the production and distribution of any controlled material.

The requirements committee of WPB, which includes a representative of the U. S. State Department and of each of the claimant agencies and which passes upon the

(Continued on page 2, col. 1)

Cross Currents at Winnipeg

Tory Delegates Want Free Hand Choosing Leader

By KENNETH R. WILSON

WINNIPEG. — The big scheme to join in political wedlock the Tory old guard and a western Liberal-Progressive of 20 years standing completely dominated early deliberations of the National Conservative party here.

Even when delegates were gathering early in the week the Bracken boom was treated as fantastic, especially by the Manitoba Premier's closest friends and associates. No politician in Canadian public life has played his cards any closer to his chest than Premier Bracken. Thus the Bracken-for-leader cry gained hearing in other parts of Canada long before it was accepted here in Winnipeg.

This is important and significant. It parallels the fact that Mr. Bracken is in many respects the prophet without honor in his own city. One heard more doubts expressed about Mr. Bracken's qualifications for federal leadership in Winnipeg than from elsewhere in Canada.

Briefly the storm of discussion and controversy about the Bracken candidacy has centred around the following points:

1. The implication that, because Mr. Bracken had been reportedly picked for the leadership by Mr. Meighen, was interpreted as evidence that he was supported by the old and politically discredited Tory guard.

2. There was an early and apparently unfounded fear that, because Murdoch Macpherson was prepared (at one stage) to withdraw in favor of Bracken, that another undemocratic political coup d'etat was being engineered and foisted on the rank and file of party delegates.

The Turning Point

Public assurance early this week that Mr. Macpherson would definitely contest the leadership race marked unquestionably a salient turning point in the contest. With Macpherson in the field, a coup d'etat was out of the question. Under such circumstances there was no possibility of Mr. Bracken being handed the Tory crown without an open contest on the floor of the convention.

An impressive feature of this historic party conclave has been the upsurge of anger and alarm which spread through Conservative ranks at the suggestion that the Bracken nomination had been settled in advance and was to be railroaded through without opposition or free choice on the part of the rank and file of the delegates themselves.

The fear that this might turn out to be another "Ottawa"; that men and women who had travelled hundreds or thousands of miles to assert their right to choose a leader would be robbed of this opportunity—these have been potent and salutary factors in helping decide the new party leader.

Important Factor

Without discounting in any way the planning that has gone on here, the fact remains that the instinctive desire for free choice and the evident distaste of old guard management has played a considerable part in deciding the course of the leadership struggle. Had Mr. Meighen been permitted to hand the leadership to Mr. Bracken on what were reportedly the latter's original terms (that he be not required to contest the leadership as a partisan competitive contender for office) the subsequent revolt within the party would have been inevitable and might have proved disastrous to Mr. Bracken's chances of ultimate leadership success. If Mr. Bracken wins the leadership he will be winning it the proper and the democratic way. In large, he will be winning it on his very favorable record as a provincial administrator and friend of the farmer and in spite of his "machine" support.

The Bracken boom seems now to date back more than a year to a meeting of Meighen and Bracken in Winnipeg prior to the coup which placed Meighen once again in the leadership. At that time, Bracken turned the proposal down.

Once Mr. Meighen had been repudiated by the electors in South York, the proposal was again put forward. This time Bracken looked (apparently) with increasing interest on the proposition.

Was Long Discounted

Note that so closely did Mr. Bracken hold his poltiical cards and federal aspirations to his chest that even his closest associates and followers remained in complete ignorance of the facts until the very eve of the Winnipeg meeting. From time to time they heard rumors of the Bracken "boom." Almost without exception they ignored them.

Another significant fact about the

(Continued on page 2, col. 6)

Montreal Power 1942 Earnings Running About $1.80 a Share

From Our Own Correspondent

MONTREAL. — Montreal Light, Heat & Power Co. is expected to report share earnings for 1942 around $1.80 a share. This contrasts with $1.71 a share the year before; in both cases after full provision for taxes.

An all-time record total in electricity production of 3,949,055,000 kw.h. was reached in the nine months ended September. This represented an increase of 35.4% over the total output in the same period of 1940, the first full war year. In a similar comparison gas output has increased by 7.8% to 4,036,454,000 cu. ft.

On a dollar basis revenues for the present year will be well in excess of anything previously recorded. However, the further sharp expansion in taxes will absorb practically all of the increase after providing for higher operating expenses.

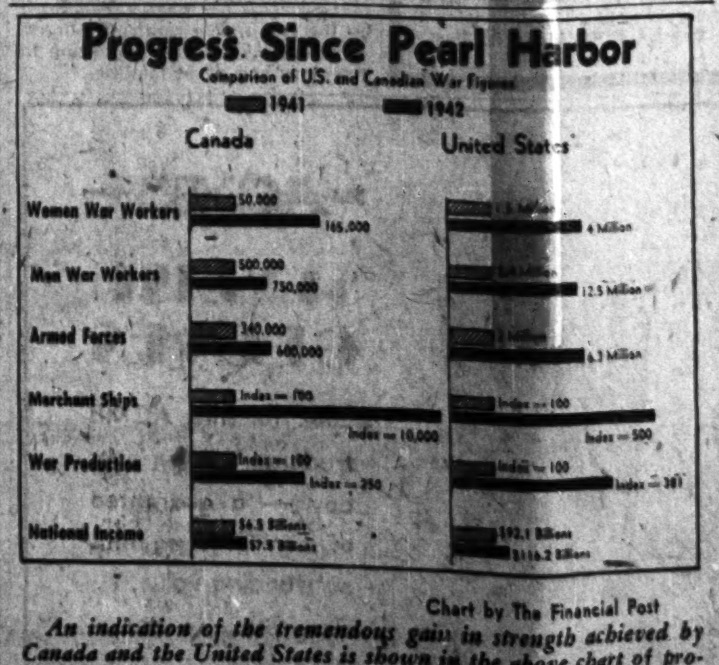


Chart by The Financial Post

An indication of the tremendous gain in strength achieved by Canada and the United States is shown in the above chart of progress since Pearl Harbor. In most categories the two nations have kept pace with each other, with some striking exceptions, such as Canadian shipbuilding and U. S. industrial construction.

FINE APPAREL MEN'S SHOP FOR MEN

Now That You're Rationed!

Now that you've got to curtail your driving, and use the public transportation systems more and more — a good rugged overcoat is indispensable. Men's Shop overcoats not only meet the requirements of ruggedness, but they are unusually distinctive too. You can tell the richness of Men's Shop overcoatings at a glance — but it takes the storms and the years to prove their superb, enduring character. Today — more than ever before — wise is the man who pays the difference that buys Men's Shop apparel — for he soon appreciates the saving their "staying power" inevitably brings. Overcoats from $35.00 to $80.00.

FREE PARKING WHILE SHOPPING

The Men's Shop

Civil and Military Outfitters

EATON'S-COLLEGE STREET

Modified CMP For Canada?

(Continued from page 1)

major divisions of materials, then decides on the initial division of the supply.

The total of the allotments of controlled materials to the claimant agencies is not to exceed the estimated available supply, thus assuring that allotments will mean that the materials allotted will actually be forthcoming. Each claimant agency then adjusts its production programmes and schedules.

In this procedure lies a fundamental difference between Canadian and U. S. organization. Canada does not have counterparts of the various claimant agencies designated in the United States. Here the Department of Munitions and Supply handles virtually all purchasing, and controls the production of war materials and of various materials needed to make them.

Thus one problem facing Canadian authorities appears to be to adapt our organization to this U. S. procedure or else to go ahead with what might become a considerable duplication of effort.

It is understood one step being taken now is to hold a preliminary consultation with representative manufacturers at which the government's proposals will be discussed and, if possible, simplified.

Hayes Steel Products sales for the fiscal year ending July 31, 1943, are expected to show a substantial increase over last year, the annual meeting in Merritton, Ont., was told. This will reflect increase in plant capacity; the company's expansion programme now being fairly well under way with the help of government financial assistance.

No action will be taken on common dividends at this time as directors deem it prudent to conserve working capital, it is stated. A bank credit of $1.5 millions has been arranged to take care of current liabilities. This has been necessitated by the call on the company's liquid resources arising from expansion in inventory and plant facilities.

Business Wanted

Desire to contact principals who wish to sell part or control of their business. Concerns must have favorable Post-War possibilities. $50,000 and more available. Replies must give complete description of business.

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War and Business . . . .

What's the Difference?

What is the difference between the system of manpower co-ordination Elliott Little tried for eight months to establish in Canada and the system which Paul V. McNutt was this week assigned to establish in the United States? None.

What, in general, is the difference in powers Little asked for and McNutt was handed on a platter? None.

Though we had an eight months' start over the U. S. in tackling this problem, the U. S. is already ahead of us in the job of seeing that every citizen shall do that wartime job where he can best help speed victory.

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Get Russian Bases

Word from Washington indicates that the United Nations are hopeful of obtaining Russian bases for air raids on Japan in the fairly near future. It is pointed out that Russia has much to gain from the destruction of Japanese offensive power and, provided the United Nations can guarantee really devastating raids, nothing much to risk. Siberian bases, of course, are much nearer the heart of Japan than any other practical ones in possession of the United Nations at present.

Washington's relations with the Soviet are reported to be better than generally believed. Roosevelt, himself, intervened some time ago to see that Russia got more aid in war supplies from the United States.

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Ban Substitute Oil Lamps

Shortly after the use of electricity was forbidden to illuminate store windows, show cases, etc., some merchants blossomed out with gasoline and coal oil lanterns and lamps. Apparently they failed to realize that oil is just as scarce, if not more so, than electricity. However, this practice is not going to get far, the Oil Controller having cracked down on all such substitute illumination.

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Reciprocal Taxes

Canada's income tax act requires deduction at the source of a tax of 15% on gross rentals from properties in Canada owned by non-residents unless the owners reside in countries not imposing a similar tax on rentals transmitted to Canadians. This reciprocal exemption until recently applied only to residents of Great Britain but it has now been extended to residents of the United States, the Ontario Association of Real Estate Boards announces.

Persons collecting rentals for British and United States non-residents, in lieu of deducting the 15% tax on gross rentals as received, may arrange with the Income Tax Department to file an income tax return at the end of the year and pay income tax then on the net rental after deducting carrying charges. If the rental is less than $900 annually, they may arrange with the income tax department for omission of tax deduction at the source by filing a statement required, information about which can be obtained from the inspector of income tax for the district in which the property is situated.

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Hydro Cuts Load

Arrival of the time of year when electric power loads regularly hit their annual peak was signalled in Ontario by necessity for Ontario Hydro to cut its peak load deliveries of power by 750,000 h.p. on Dec. 4, Dr. T. H. Hogg, chairman of the Hydro-Electric Power Commission of Ontario, announces. Some of this load reduction had to be accepted by war industries for a short period.

This marks the first time since shortly before restrictions were enforced on power use in September that Ontario Hydro has had to cut loads to meet a peak demand. It was partly attributable to weather conditions but also to heavy demand from war industries.

Dr. Hogg is cautious in suggesting that restrictions now in effect on power use will be sufficient to carry over the critical period, intimating that further cuts would be necessary if war load rose much more. At the same time he emphasizes the importance of what has been accomplished by the voluntary savings. Most recent figures for Ontario Hydro's peak load show a decline in all sections of the systems operated with the exception of the Niagara System which again reported a gain, this time one of 6.3%.

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PM'S Double Start

Prime Minister King is the terror of all radio men because of his resolute refusal to time his speeches. He almost always runs far over his time, with inevitable confusion. Pleas and suggestions have apparently had no effect.

Last week, speaking in New York, the PM found a U. S. radio chain less obedient than the CBC. FDR is as precise in his radio speech timing as a professional and U. S. networks apparently expect the head of another country to follow his example.

Unwilling to cut five or six minutes off his New York speech, and aware that the U. S. network would chop him off the air if he went a half minute beyond the allotted time, Mr. King's habits resulted in the CBC putting a special line into the New York hotel—for the five or six minutes it was used.

All of which explains last week's two-start speech. Mr. King said a few pleasantries to his banquet-hall audience and to a Canadian network audience. Then he sat down and after a five or six minute pause, the American radio audience heard Mr. King start again.

The empty pause between was due to the absence of Adolph Berle, U. S. Undersecretary of State who was to have introduced Mr. King.

Unsubsidized Control Urged in Washington

Byrnes and Baruch Emphasize Simplification and Standardization as Prime Method of Keeping Production Costs Below Ceiling

Special Correspondence

WASHINGTON. — How do you carry out a "vigorous programme of simplification and standardization" and still guarantee just compensation to the businessman who must shut down his plant?

And particularly, how do you do it without benefit of subsidy?

That is the problem with which the War Production Board is wrestling following a recent directive of President Roosevelt's newly-appointed economic stabilization director, Justice James F. Byrnes.

Byrnes is emerging as one of the key men in Roosevelt's personal staff and sharing, for the production, economic and civilian supply front, responsibilities analogous to those of Admiral William D. Leahy, the military and naval chief of staff.

His directive obviously means business. WPB cannot postpone action. But the problems it faces are similar to those faced in Canada by the W.P.T.B., only multiplied a hundredfold.

Byrnes asked for standardization and simplification because such a programme would ease the materials shortage, and because it would help guarantee minimum essential civilian supply and mitigate civilian sacrifices. Adequate supplies ease pressure on the price ceilings.

But he opposed subsidies as an aid to his objective, saying:

"I have in mind particularly the lowering of profit margins, effecting economies and reducing costs by simplifying and standardizing production and distribution."

This appears to offer a bleak outlook for those businesses that face closure—and many of them are small businesses now sharing only the crumbs from the war boom. In this, of course, Byrnes was only following British experience where Mr. Churchill said early in the war that subsidies would be opening up a "field to which there would be no bounds."

In Britain the businessmen had to solve their own problems by mutual agreement — by sitting around a table and deciding which plants would operate and how profits could be apportioned.

The Byrnes directive envisages the same pattern here.

But there are major differences. Business in the United States is by no means so well integrated. It is more accustomed to a peacetime tradition of hard-boiled competition than co-operation. This has been fostered by the anti-trust laws which forbids close associations for partioning markets or sustaining profits and price levels. These can now be set aside when war necessity so dictates.

War Production Board officials fear that concentration without compensation is sure to stir up controversy. They do not work in a vacuum and they are sensitive to external pressure certain to increase as the owners of closed-down plants start to howl.

The administration looks at it from a different view—that of the treasury. If it opens the door to subsidies there will be a never-ending series of raids on the public funds, backed by politically wise congressmen. Even Leon Henderson who has argued that "subsidy" is the cheapest form of price control, has been unable to obtain full presidential backing for an outright programme of subsidies.

Here he was handicapped by the prejudice and suspicion that old-line congressmen traditionally have for the so-called "New Deal" bureaucrats.

In both house and Senate suspicions were voiced as to the efficiency of O.P.A. administration of funds to protect price ceilings by subsidy. Henderson had to do without. His argument that this was the only way to protect the ceilings from being punctured did not move skeptical legislators.

Ontario Gas Shortage Eased By Conservation Moves

Union Gas Co. customers will benefit this winter through conservation moves carried out during the past few months. Prospects are that conditions of last winter, when some householders had to go through the coldest days without their normal gas heating, will not be repeated. Ontario government officials tell The Financial Post.

This is due to the reduction in the company's load through removal of 10,000 convertible gas burners during the last few months. This will mean an annual saving in domestic load of around 1.8 billion cu. ft. and about 400 million cu. ft. on the commercial convertible load.

New Sarnia Supply

The reduction will ease the effort to meet demand on peak days, as will the new supply from the Sarnia still gas plant, which is able to provide around 2 billion cu. ft. a year.

In London the supply is particularly precarious owing to the failure of the Malahide field. Upward of 5,000 gas burners have been removed from the London area. This winter's peak is not expected to be much above 5 million cu. ft. as compared with a peak of over 15 million cu. ft. during the 1941-42 winter.

The Union Gas application for an upward revision in rates is still under consideration. The company made its application some time ago to the Wartime Prices and Trade Board but it is understood another application to the Ontario Natural Gas Referee has been necessary.

Investor's Index

Dec. 12, 1942

Algoma Central 4
Assoc. Breweries 18
Bank of Comm. 2
Bathurst P. & P. 10
B. C. Pulp & P. 13
Burns & Co. 5
Canada Cement 15
C. P. R. 15, 18
Candn. Tube 15
Candn. Vickers 5
Can. Wirebound 12
Clarendon Apts. 4
Concourse Bldg. 4
Consol. Paper 13
Crown Zeller. 4
Dairy Corp. 13
de Havilland 15
Dom. Stores 15
East Koot. Pwr. 10
Goodyear Tire 18
Grt. Lakes Paper 13
Hamilton Bridge 18
Hayes Steel 2
Inter. Hydro-El. 13
Kensington Apts. 4
King Ed. Hotel 13
Mar. Tel. & Tel. 15
Marcus Loew's 4
Moore Corp. 4
Nat. Sewer Pipe 4
N. B. Power 18
N. B. Telegraph 4
New England Pr. 10
Porto Rico Pwr. 10
Power Corp. 10
Renown Rylts. 18
Robert Simpson 18
Robertson Mg. 13
Royal Trust 18
St. Lawr. Corp. 8
Seaforth Salt 18
Second Inter-St. 4
Sherbr'ke Trust 4
Sou. Can. Pwr. 4
Standard Fuel 20
Trans-Canada 13
Winnipeg Elec. 5

MINES AND OILS

Adnaron Copper 18
Aqua Copper 18
Aunor 19
Barnwell-Taber. 18
Big Bell 19
Black Donald 19
Bralorne 19
Chesterville 18
Dome 19
Gold Frontier 18
Hollinger 19
Kerr-Addison 19
Little Long Lac 19
Macassa 18
MacL.-Cockshutt 19
Majormica 18
Malartic G. F. 19
Maryland Pete. 18
Negus 19
Ontario Nickel 18
Preston 18
Sheep Creek 19
Snowshoe 19
Steep Rock 19
Zeta Min. Corp. 18
Zincton 19

REGULAR FEATURES

Banking 15
Bonds 5
Bond Quotations 16
Business, Week in 7
Company Reports 4
Commodities 16
Editorial 6
Income Tax Queries 20
Insurance 8
Investment Page 4
Enquiry Letters 13
Market Opinions 2
Stock Quotations 15
Mining Pages 18, 19
Mining Quotations 14
Oil Page 18
Oil Quotations 16
Royalty Offerings
On the Record 7
Pulp and Paper 10
War Regulations 13
Wheat Page 17
Wheat Prices 17

Stocks of Newsprint Hold at High Level

From Our Own Correspondent

MONTREAL. — North American newsprint stocks at the beginning of this month totalled 920,957 tons. This was practically the same figure as reported a month ago, but is substantially above the monthly average and near an all-time record.

American publishers reported 743,148 tons on hand, the largest monthly figure reported for any month since the beginning of 1938. On the other hand, manufacturers' stocks of 177,809 tons were the lowest reported in several years.

Uruguay to Conserve Newsprint Supplies

From Our Own Correspondent

MONTREAL. — The Uruguayan Government has ordered all newspapers to limit their editions to a maximum of 12 pages because of a newsprint shortage.

VICE-PRESIDENT

Robert Rae, who has been elected a vice-president of the Dominion Bank. He will continue to act as general manager.

Form New Body To Co-ordinate Housing

Housing activities of the Dominion have been brought under the control of one central body through the formation of a Housing Co-ordination Committee. The committee is to consider and make recommendations with respect to housing projects in which government interests directly enter. No change in private construction practices is involved.

Represented on the new co-ordinating body are Henry Borden, chairman Wartime Industries Control Board; C. Blake Jackson, controller of construction; Jos. Pigott, president Wartime Housing Ltd.; R. S. Smart, administrator of real property; F. W. Nicolls, director of National Housing Act, and A. MacNamara, associate deputy minister of labor.

CommerceBank Makes Changes

Arscott Becomes Executive Vice-president; Wedd General Manager

At the annual meeting of the Canadian Bank of Commerce this week, Allan E. Arscott was appointed executive vice-president and Stanley M. Wedd general manager.

Mr. Arscott, general manager for the last six years and a vice-president for two, is a native of Walkerton, Ont., where he joined the bank staff in 1905. After serving at many branches he joined the head office organization in 1915. He was elected a director in 1938. He is also a director of the Canada Life Assurance Co. and of Wartime Merchant Shipping Ltd. In the last three Victory Loan Campaigns he acted as chairman of the Ontario section of the National War Finance Committee.

Mr. Wedd, like Mr. Arscott, entered the bank at Walkerton in 1905. He served in various posts in many branches, coming to head office as inspector. He later became chief inspector and in Jan., 1937, was appointed an assistant general manager.

Cross Currents At Winnipeg

(Continued from page 1)

Winnipeg conclave is the extent to which Port Hope has influenced and permeated the deliberations. Apart from what the delegates may do by way of repudiating or amending the resolutions presented on the floor of meeting, the fact is that these resolutions themselves draw heavily not only on the spirit, but on the actual wording of policy as drawn up by the laymen's conference of a few months ago.

It is expected that there will be some modification of the labor policy with a view to requiring more responsibility on the part of labor union organizations. Otherwise it is expected that the clearcut proposal for collective bargaining which featured the Port Hope deliberations will be put forward with little or no change.

If the views of the minority are given weight there will be some temporizing with the out-and-out demand for conscription. But here, as in other lines of policy, it is the Port Hope statement of policy which is used as the starting point in discussion and debate. The tribute which the party organizers and the "professionals" have paid to the Port Hope laymen is very real.

Mr. Bracken's personal views and political beliefs come at many points as close to the Port Hope formula of "Canadian Policy" as those of any other person who might be considered a serious contender to the leadership.

In many ways Port Hope might therefore be considered as paving the way for the Bracken boom.

Public Utility Earnings

Brazilian Traction

	October 1942	1941	Increase
	$	$	%
Gross earnings	4,028,964	3,816,385	5.57
Oper. exps.	1,834,542	1,723,655	6.43
Net earnings	2,194,422	2,092,730	4.86
Ten Months Ended October			
	$	$	%
Gross earnings	38,610,301	35,339,368	9.26
Net earnings	20,004,935	19,037,293	8.23

Gas rationing owing to fuel shortage is now in effect in Rio, Sao Paulo and Santos.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	—Sold to—	Rate	Due	Amount	Price	Yield
Port Arthur, Ont.	Dec.	Cochran, Murray & Co.	3½%	1943-57	889,240	102.111	....
			3¼%	1943-52	36,949		
Peterborough, Ont.	Dec.	Dominion Securities	3%	1943-52	45,000	101.777	....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Sisters of Charity of Providence	Dec.	Bk. Can. Nationale, L. G. Beaubien.	3%	....	$333,000	....	....
		Savard, Hodgson & Co., Rene T. Leclerc	3½%	....	645,000	....	....

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Market Opinions

Opinion from New York suggests that main trend of stocks is still upward, but emphasizes that wartime markets do not behave as do peacetime ones.

Barron's N.Y. (The Trader) — In the beginning of an important rise, when speculation is dead and investment influences exert more than ordinary strength, dividend returns count most. It is in the dynamic stages of a forward movement that the earnings trend becomes the most powerful factor. On the basis of dividends, which the 1942 Revenue Act has come close to stabilizing, the stock market is, therefore, in the early stages of a major, though characteristically war-retarded, advance.

American Paper Mills Slow Down Activity

From Our Own Correspondent

MONTREAL. — American paper mill activity in the week ended Nov. 14 equalled 89.6% of capacity, the lowest point in the last five weeks, according to the American Paper and Pulp Association. A year ago the mill operated at 107% of capacity.

MEN! Is this the answer?

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YONGE AT TEMPERANCE

LONDON TORONTO SUDBURY

This Week The Financial Post Asks:

How Much Postwar Trade With U. S.?

The Question: "How far should Canada go in developing a common postwar policy with U. S. on matters like money, tariff, immigration?"

Dr. J. Stanley Allen

Sir George Williams College, Montreal.

I think Canada should collaborate closely with United States on all matters in which we have common interests. This covers joint defense tariffs, foreign exchange, regional economic planning, St. Lawrence waterways and similar matters. Wherever continental planning can increase production and eliminate waste we should be willing to work together. Such co-operation can be fitted into wider plans for international economic planning.

As part of this joint effort Canada should join the Pan American Union so that she can play her part in hemispheric collaboration. An active role by Canada in this part of the world will help international organization and carry forward the aims of United Nations.

• • •

Harold Brown

Past president, Vancouver Board of Trade, chairman, Union Steamships Ltd., Vancouver.

My view is that extraordinary conditions which will inevitably arise out of prolonged exhaustive war and resulting postwar complication will make a policy of liberal reciprocation in trade, immigration and money between Canada and the United States essential and logical. British connection in its broadest aspect could be safeguarded and in the larger interest and overruling needs of world recovery this could be best served by a North American continental unity of policy and purpose in creative industry, food production and distributive power. The Alaska highway achievement points the way.

• • •

F. C. Brown

Managing director, Canada Western Cordage Co., Vancouver, and a former president, Canadian Manufacturers' Association.

Canada should co-operate to the fullest possible extent with U. S. in postwar matters such as finance and tariff, consistent with the interest of other countries, keeping in mind the fact that if we are to have a better world with the minimum of trade restrictions the standard of living and wages in all countries must be raised, and Canada-U.S. policy must safeguard our empire partnership and freedom to work with other nations. Canada should develop her own immigration policy designed to build a better balanced nation racially, socially, economically and financially.

• • •

A. E. Chilcott

President, C. M. Oliver & Co., Vancouver.

The first principle to be observed by Canadians is a free and independent Canada, uncontrolled either directly or indirectly by any other nation. Granting this is the first principle, the second principle is the fullest and freest economic and social contact with the United States.

Details of how this connection should be brought about had better be left until after the war because no man knows what the state of the world will be at that time. If after the war we have not the intelligence and patriotism to resolve such questions as money, tariff, immigration, etc., we will deserve to suffer extinguishment as a separate nation. I believe we have the necessary intelligence and patriotism to let these matters rest until final victory is assured.

• • •

Harold Crabtree

President, Howard Smith Paper Mills Ltd., Montreal, and a former president, Canadian Manufacturers' Association.

I feel it is impossible for me to express any definite opinion on matters mentioned in your telegram without having some knowledge of how and to what extent any agreements between the United States and Canada would synchronize with postwar world economic plans. I am sure Canada will not hesitate to contribute to the full extent her share to this new order when the time comes to do it, in the same spirit in which she is now carrying on the war.

I am far more concerned at this time about the winning of the war than I am in matters pertaining to postwar policies. I agree that these should receive attention by those not directly engaged in the war effort but above all things we must not be diverted from the main business of all citizens of Canada which is to win this war.

• • •

James S. Duncan

President and general manager, Massey-Harris Co., Toronto.

You ask me how far in my opinion Canada should go in developing common postwar policy with United States. My answer is that Canada should go the limit providing the discussion be among three and that the third member be the United Kingdom.

• • •

H. L. Griffin

Economist, United Grain Growers Ltd., Winnipeg.

On money, as far as a common policy, with concurrence and co-operation of Britain, will stabilize dollar sterling exchange, a requisite condition to our maintaining parity with the United States.

On tariffs, as far as the United States will go in formulating policies to encourage and not restrict trade, based on concepts of a continental market, continental exports and continental lending. Such concepts require realization in the United States of the function of exports from Canada, elsewhere as well as to the United States, in balancing imports to that country.

Community of policy on other subjects must await exploration of these possibilities.

• • •

George R. Inglis

Mayor of Niagara Falls, Ont.

North America has so much in common that border barriers should be broken down so that the greatest co-operation may be obtained between the two countries for the benefit of labor, industry, agriculture, and the encouragement of travel. We on the border desire to retain and promote the utmost friendly relations with the people of the United States.

The development of postwar policy, whether national or international, should challenge the utmost intelligence, ingenuity and imagination of experts and public officials in revising our revenue structure predicated on the exchange of goods and services between the two countries and development of our national resources to eliminate poverty and social evils while preserving our fundamental rights and liberties.

• • •

R. P. Jellett

Vice-president and general manager, Royal Trust Co., Montreal.

Canada's postwar policy should be directed primarily to closer co-operation within the British Commonwealth but secondarily to co-operation with the United States, provided we keep constantly before us the danger of what might amount almost to absorption if such important policies as money, tariff and immigration became identical with those of the larger country. We should guard our independence of action in vital matters so that our economy would never be at the mercy of any other government which might make drastic changes in its legislation that would react disastrously on us.

Herbert D. MacLeod

Managing editor, Herald-Telegram, Yarmouth, N.S.

Co-operation in money matters, tariff, immigration and all related problems should be a United Nations postwar programme not limited to Canada and United States. We should go the limit internationally. Otherwise we will have lost not only the war but also the peace.

• • •

H. M. Morden

Managing editor, Windsor Star, Windsor.

Closer co-operation, economically and socially, between Canada and the United States is inevitable in the postwar world. The extent of this movement must depend on factors yet to be decided, and it will probably develop entirely as a spontaneous movement founded on the sentiments of the people of the two countries.

It is rather fruitless, under present conditions, to seek to forecast details of the plan that will develop from the war. It is safe, however, to predict an end of discriminatory tariffs, and this, in fact, has already been definitely agreed upon. This will mean, of course, the virtual abandonment of empire preferential agreements, or rather, their extension to include the United States. The spirit engendered by this development will, in itself, bring further steps in collaboration.

This will naturally affect Great Britain, and it makes it plain that, while Canada will treat directly and independently with her neighbors, the broad general arrangements for a closer link, in matters of economy, tariffs and immigration, must and will be worked out on a tri-partite basis between Canada, Britain and the United States.

• • •

W. Dent Smith

President, Terminals Warehouse, Toronto.

The best interests of both countries demand that Canada and the United States should consult on and agree upon a common postwar policy affecting immigration tariffs, monetary problems, health and social services. This programme should be merely an extension and development of our present association in matters of foreign policy and economic and military warfare.

• • •

E. T. Salmon

McMaster University, Hamilton.

Canada's primary postwar aim should be to formulate a foreign policy in closest co-operation with all the United Nations, otherwise we shall lose the peace. Conceivably joint Canadian-American action on money, tariff, immigration, etc., would be a strong contributory factor to the formulation of such a United Nations foreign policy, in which case it should be developed in every way. But let us not fall into the error of believing a trade policy necessarily identical with a foreign policy. The latter merits first consideration.

• • •

Thos. L. Wilson

Manager, Sentinel-Star, Cobourg, Ont.

I believe citizens of North America particularly will have witnessed at the conclusion of this catastrophe, the end of an era of extreme nationalism. The interests of humanity are not bounded by national boundary lines, consequently realizing what happened as a result of the United States policy of aloofness following the last war, I am personally of the opinion that we should adopt an all-out post-war policy of common interest with the United States on matters like money, tariffs, immigration, etc. If it is necessary for us of the United Nations to join hands to win a suitable peace on this earth, then it is only logical that we must continue to work together to keep it.

Foresees Death of Liberalism

It Cannot Effectively Oppose Dictatorship, Says Drucker

THE FUTURE OF INDUSTRIAL MAN. By Peter F. Drucker. Published in Canada by Longmans, Green and Company. Price $3.

Drucker is an outstanding writer and thinker on economic and social problems whose earlier works have attracted a good deal of attention. This new volume is devoted to the problem of how an industrial society can be built as a free society and is probably the best statement of the cause for conservatism to be put on paper in modern times.

"Totalitarianism," he says, "grew out of a collapse of values, beliefs, and institutions common to all western countries.

"The present war is a civil war for the future of western society which cannot — except in the military sense—be won merely by beating off the aggressors from without. This means that the solutions lie within our own society: in the development of new institutions from the old and tried principles of freedom, in the emergence of new forms for the social organization of power, and altogether in the rethinking and reforming of the basis of our society."

Industrial Society

The essence of Nazism, says Drucker, is the attempt to solve a universal problem of Western civilization—that of industrial society.

In brilliant and penetrating analysis of what was really happening to industry and society in modern times, Drucker gives his readers clear illumination on some realities of where we stand today, and of things which have been going on round about us.

His statement of the conservative position is striking.

Every totalitarian movement during the last two hundred years of Western history has grown out of the liberalism of its times. The French Revolution, he admits, contributed to the freedom of the nineteenth century "but its contribution was entirely negative. It was dynamite that blew away the debris of the old structure. In no way, however, did it contribute to the foundation of the new structure of freedom on which the nineteenth century order was built. On the contrary the French Revolution and its excesses down to the rationalist liberalism of our time are an irreconcilable opposition to freedom. Fundamentally rationalist liberalism is totalitarian.

Reason vs. Action

"Rationalism is incapable of positive political action. It can function only in opposition. It can never make the step from negative critique to constructive policy. It always opposes the free institutions of society fully as much as the unfree and oppressive ones.

Drucker asserts, though citing less evidence than many readers would like to have, that "wherever the rationalist liberal has come to power, he always fails."

Citing experience which is so common, Drucker refers to the saying current during the '20's in Europe as well as in the United States that an "intelligent" person must be on the left. This is what he means by rationalist liberalism, because the rationalist has absolute, supreme confidence in the rightness of his interpretation. "The rationalist liberal cannot compromise. His is perfectionist creed which allows of no concession. Anyone who refuses to see the light is an unmitigated blackguard with whom political relations are impossible. . . . Whoever is in possession of reason, whoever understands the supreme will of society, is entitled and indeed, is duty bound, to force it upon the majority, minority and individual alike."

No Effective Resistance

"Totalitarianism comes when liberalism has failed. It comes as a direct result of this failure. There is no doubt that the individual rationalist hates the totalitarianism of his times deeply and sincerely; no doubt that he wants to fight it. But he cannot really attack it. For the totalitarians do only what the rationalists should have done on the basis of their philosophical beliefs."

"We cannot expect any effective political and philosophical resistance against the Fascist totalitarianism of our days from a rationalist liberal."

Mr. Drucker goes on to a discussion of the basis of the American Revolution. The American Revolution he says "was based on principles completely contrary to those of the Enlightenment and the French Revolution. In intention and effect it was a successful counter movement against the rationalist despotism of the Enlightenment which provided the political foundation for the French Revolution. Far from being a revolt against the old tyranny of feudalism, the American Revolution was a conservative counter revolution in the name of freedom against a new tyranny of rationalist liberalism and enlightened despotism. . . It succeeded in building not only a functioning, but a free, society . . . The freedom of the western world during the nineteenth century and up to this day has been based upon the ideas, principles and institutions of the American conservative counter revolution in 1776.

"The American Revolution brought victory and power to a group which in Europe had been almost completely defeated, and which was apparently dying out rapidly: the anti-centralist, anti-totalitarian conservatives with their hostility to absolute centralized government and their distrust of any ruler claiming perfection. Above all, it reasserted the belief that the imperfection of man as the basis of freedom.

"Had America not revolted against enlightened despotism there would hardly have been any freedom into Europe in the nineteenth century. . ."

Drucker comments on the decline in political thought between 1776 and 1930.

"The descent from the political wisdom, knowledge and profundity of the generation of Burke, Rousseau, Jefferson, Hamilton, Madison, Herder, etc., to the mediocrity, shallowness and ignorance of the political writers and thinkers of late Victorianism, is so complete, so stunning and so sudden as to be almost without parallel in the history of political thought. . .

"This decline of the level of political thought is perhaps the greatest testimony to the work of the Founding Fathers; for the explanation of the collapse is that the generation of 1776 had built so well that their sons and grandsons could afford to forget the foundations and to concentrate on the interior decoration of the house they had inherited. It is only today that we must again think of first principles."

Building Holds In November

Total Construction For First 11 Months Down 27.5% From Year Ago

Building in Canada during November held at a level only slightly below a year ago, according to MacLean Building Reports. Total awards during the month were $22,085,500 as compared with $22,889,500 in Nov., 1941, and $21,412,800 in October. For the first eleven months of 1942 construction was down 27.5% at $271.9 millions as compared with $374.8 millions for the same period of last year.

Of the November total government and business building accounted for $9.1 millions, residential for $8 millions, industrial for $3.4 millions and engineering for $1.4 million.

Large Contracts

Following is a summary of the larger contracts awarded in November

British Columbia, addl. const. . .	1,500,000
Hamilton, Ont., housing	1,000,000
Montreal, Que., housing	900,000
Montreal, 3 staff houses, etc. ..	600,000
Halifax, N.S., housing	500,000
Windsor, Ont., housing	500,000
Montreal, Que., plant addn. ...	300,000
Halifax, N.S., plant addn.	300,000
Montreal, Que., plant addn. ...	300,000
Longueuil, Que., plant addn. ..	250,000
Petawawa, Ont., addl. accom. .	239,000
Mount View, Ont., addl. accom.	200,000
Dartmouth, N.S., siding	200,000
Beloeil, Que., plant addn.	190,000
N. Sydney, N.S., addl. accom. .	190,000
Camp Borden, Ont., hospital ..	185,000
Rockcliffe, Ont., hospital	150,000
Ipperwash Camp, hospital addn.	140,000
Renfrew, Ont., housing	138,000
Regina, Sask., addl. devel.	132,000
Leaside, Ont., plant	125,000
La Tuque, Que., housing	125,000
Hamilton, Ont., plant addn. ...	116,000
Edmonton, Alta., office bldg. .	110,000
Carp, Ont., temp. accom.	105,000
St. Johns, Que., road	104,000
Picton, Ont., addl. accom.	100,000
Dartmouth, N.S., wharf extn. .	100,000
New Liskeard, Ont., factory ..	100,000
Hamilton, Ont., plant addn.	100,000
Cornwall, Ont., housing	100,000
Halifax, N.S., addl. accom.	100,000
Bedford Basin, N.S., platform and siding	100,000
Ville St. Pierre, Que., plant ...	100,000
Collingwood, Ont., housing ...	100,000

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POSTER ADVERTISING MEETS WAR-TIME CONDITIONS

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NOTHING can equal the contribution and the sacrifice that our armed forces are making to preserve our democratic institutions and our very lives.

They, however, would be the first to realize their impotence without adequate equipment. The least we can do is to see to it that they fight the enemy on equal terms.

To do this puts a great onus on Canadian industry. General Steel Wares has long since gone into action with its great productive facilities for the skilled fabrication of a wide range of steel products needed in the Armed Forces. Millions of articles have already been produced and the output is increasing daily.

The disruption to our peacetime production is regrettable but inescapable — we cannot gamble with victory with everything else at stake. When that victory is achieved, our customers' interests will again be paramount.

GSW QUALITY GOODS

GENERAL STEEL WARES
LIMITED
MONTREAL TORONTO LONDON WINNIPEG CALGARY VANCOUVER

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4
5
MORE production per MAN HOUR is the only answer

GEORGE S. MAY COMPANY
Business Engineering
320 BAY ST., TORONTO

Most Reports Better This Week

What Shareholders Get

	Earned Per Share 1942	1941
	$	$
Southern Canada Power, common	1.12	0.82
National Sewer Pipe, class A	0.22	0.34
Marcus Loew's Theatres, common	7.15	6.45
Sherbrooke Trust, common	7.44	6.01

Marcus Loew's

Reflecting increased public attendance at motion picture theatres Marcus Loew's Theatres, Toronto, reports an improved operating record during the fiscal year ended Aug. 26, 1942. Earnings on the preferred shares increased to $15.20 a share from $14.41 in the previous year.

Income and Surplus Account
Years Ended Aug. 26

	1942	1941
	$	$
Operating profit	240,192	227,993
Less: Exec. remun.	9,600	9,600
Sec. & legal fees	2,500	2,167
Depreciation	50,554	46,786
Income & E. P. taxes	*72,124	69,206
Org. exp. w/o	6,000	6,000
Net profit	99,413	94,235
Less: Preferred divids.	68,659	91,546
Surplus for year	30,754	2,689
Add: Previous surplus	754,385	751,696
Refundable tax	*273	......
Recovery prov. tax	5,561	......
Earned surplus forw'd.	790,973	754,385

*Company does not deduct refundable tax portion from net profit. As the sum is not immediately available for current dividends it is deducted here.

Earned per share:	$	$
Preferred	$15.20	$14.41
Paid	10.50	14.00
Common	$7.15	$6.45
Paid	nil	nil
Working Capital	$	$
Current assets	601,764	536,226
Current liabilities	77,946	80,643
Working capital	523,818	455,583

National Sewer Pipe

Volume of sales obtained by National Sewer Pipe Co. in the year ended Oct. 31, 1942, was somewhat less than in the preceding year, Ryland H. New, president, reports. Most of the sales were for government projects with normal demand greatly reduced, a condition expected to continue for the duration.

Increased manufacturing cost, reduced production and government regulation of selling prices accounted for the lower earnings of last year. Working capital continues unusually strong with cash and government securities amounting to $839,500 compared with $786,000 at Oct. 31, 1941. Cumulative dividends are in arrear on the class A shares from Dec. 15, 1933, leaving arrears at Dec. 15 this year amounting to $21.60 a share.

Income and Surplus Account
Years Ended Oct. 31

	1942	1941
	$	$
Operating profit	*7,057	3,599
Add: Other income	17,209	12,955
Total earnings	10,152	16,554
Less: Inc. & E.P. taxes	4,000	7,200
Surplus for year	6,152	9,354
Less: Prev. deficit	182,888	192,242
Deficit forward	176,736	182,888
*Loss.		
Earned per share:		
Class A	$0.22	$0.34
Paid	nil	nil
Working Capital	$	$
Current assets	1,053,702	1,046,632
Current liabilities	36,986	40,022
Working capital	1,016,716	1,006,610

Sherbrooke Trust

Sherbrooke Trust Co., Sherbrooke, improved its net profit during the year ended Sept. 30, 1942, to $7.44 a share from $6.01 in the previous fiscal year. The improvement was largely due to an increased interest return on mortgage holdings and an increase in fees and commissions.

Debentures outstanding showed a further decline during the year to $217,459 while deposits increased some $120,000. Securing assets improved to $2.4 millions from $2.3 millions a year ago. Estates, trusts and agencies under administration increased to $4,482,872 from $3,963,425.

Income and Surplus Account
Years Ended Sept. 30

	1942	1941
	$	$
Int. on mortgages	75,290	71,272
Int. on bonds	27,372	26,210
Fees and comms.	15,526	12,536
Safety dep. rentals	1,498	1,244
Total income	119,686	111,262
Less: Dep. int.	28,397	27,184
Deb. int.	6,734	7,621
Bank int.	472	26
Administration	31,365	28,984
Depreciation	4,999	4,956
Loss real est.	8,000	7,000
Taxes	17,400	17,475
Net profit	22,317	18,036
Less: Dividends	18,000	18,000
Surplus for year	4,317	36
Add: Prev. surplus	29,784	29,748
Less: Tfr. cont. res.	4,009	......
Surplus forward	30,093	29,784

Liabilities to Public as at Sept. 30

	1942	1941
	$	$
Debentures	217,459	248,694
Deposits	1,596,443	1,457,125
	1,813,902	1,705,819
Secured by:		
Liquid assets	1,012,572	926,920
Mortgages	1,290,793	1,246,198
Other net assets	107,932	126,518
	2,411,297	2,299,636
Estates, etc.	4,482,872	3,963,425

Southern Canada Power

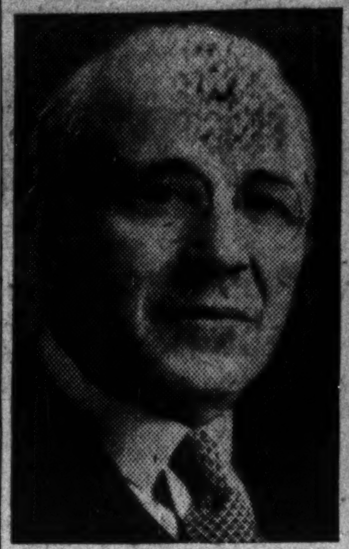
Earnings of Southern Canada Power during October, first month of the new fiscal year, registered a moderate decline from that reported for the same period a year ago. Gross operating income was off $8,760. Expenses remained much the same, but provision for taxes jumped $6,823, leaving net profit, after interest and depreciation, at $2,371. This compares with $16,825 in Oct., 1941.

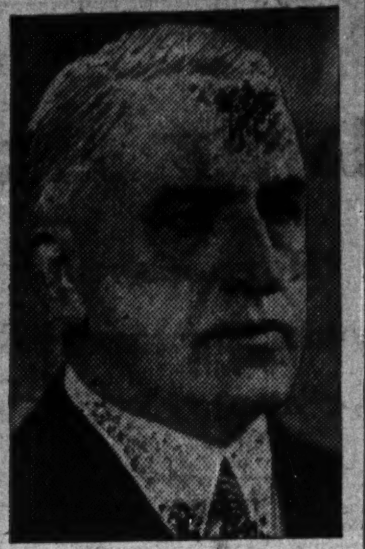
Southern Canada Power Co. for the fiscal year ended Sept. 30, 1942, reports record operations with gross revenues at $3,261,255, as against $2,994,112 the year before.

Electricity output was up 14% over the preceding year at the new peak of 277.9 million kilowat hours. During the year 1,038 new customers were added to the system, bringing the number served up to 33,669.

Income and Surplus Account
Years Ended Sept. 30

	1942	1941
	$	$
Operating profit	3,122,847	2,828,760
Add: Other income	......	40,941
Invest. income	138,407	124,411
Total earnings	3,261,254	2,994,112
Less: Exec. remun.	43,700	43,780
Directors' fees	16,030	15,865
Legal fees	6,084	6,281
Depreciation	362,125	335,440
Interest	274,579	274,596
Income & E. P. tax.	598,585	549,650
Oper. expenses	1,062,987	991,635
Bad debts res.	1,800	1,800
Pension fund	20,000	20,000
Net profit	875,403	755,086
Less: Pref. divds.	425,334	425,334
Common divds.	320,000	320,000
Surplus for year	130,069	9,752
Add: Prev. surplus	483,620	467,761
Profit on invest.	34,146	3,282
Tax adjustment	49,000	28,108
Less: W/o Investment	......	3,283
Cont. reserve	......	22,000
Invest. profit trans.	34,146	......
Earned surplus forw'd.	662,689	483,620
Earned per share:		
Preferred	$12.35	$10.65
Paid	6.00	6.00
Common	1.12	0.82
Paid	0.80	0.80
Working Capital	$	$
Current assets	3,713,012	3,625,734
Current liabilities	854,698	977,919
Working capital	2,858,314	2,647,815
Balance Sheet Changes	$	$
Cash	793,267	280,476
Investments	2,289,900	2,379,922
Accounts receivable	394,289	511,114
Fixed assets	21,144,207	21,105,197





NEW DIRECTORS NAMED

R. S. McLaughlin (left) and George W. Fraker, who have been elected to the board of directors of Moore Corp. to fill vacancies caused by the death of George W. McLaughlin and H. H. Griswold. Mr. McLaughlin is president of General Motors of Canada, vice-president of General Motors Corp. of United States, and director of a number of companies. Mr. Fraker is vice-president of National City Bank of New York and a director of Cannon Mills and other American concerns.

Brantford Needed No Loans From Banks This Year

Brantford, Ont., at the year-end will have operated for the entire year without any banking accommodation. It is the first time the city has done this, according to Mayor J. P. Ryan. It was accomplished chiefly by encouraging citizens to prepay taxes.

A total of $606,949 debentures will have been paid off by Brantford this year, reducing outstanding gross debentures debt to $3,337,832.

Net debenture debt amounts to $1,774,071. It is proposed to cut this to $1,480,313 in 1943, $1,200,669 in 1944, $1,024,595 in 1945, and $884,524 in 1946.

Tax Reduction

Mayor Ryan pointed out that the city's tax rate has been reduced to 42 mills from 46½ mills in 1938, and said he can see no reason why tax reduction cannot be continued.

There is an estimated surplus for the year of $836, despite the absorption of expenditures of $23,997 which had not been budgeted. The cash surplus at the end of 1942 is estimated at $79,000, of which $14,209 has already been expended for additional payments for the Shand Dam, over and above the $174,000 debentures issued last year, leaving a net anticipated cash surplus of $65,000.

Anticipate Maturity

Mayor Ryan has recommended that $29,000 Shand Dam debentures maturing Dec. 31, 1944, be paid off Dec. 31 next, leaving approximately $36,000. This balance he proposes placing in a trust fund to be known as a "Tax Rate Stabilization Fund," as it is believed it might be required to complete the five-year plan of debt reduction.

It is proposed to petition the Ontario Department of Municipal Affairs for legislation giving the city statutory authority for the protection of its reserves, so that the funds could be used for no other purposes than those for which the reserves were created, without approval of some constituted authority.

Continue the Good Work

Canadians gave such support to the recent Third Victory Loan that it was the greatest success in Canada's history.

We suggest you consolidate this success by holding the bonds you have bought and by purchasing more whenever you can.

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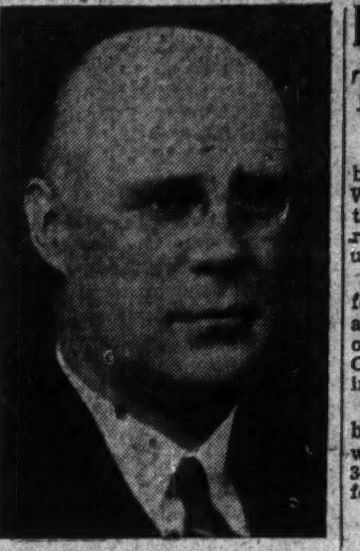
Toronto
Telephone: ELgin 4321

Wood, Gundy & Company
Limited



JOINS TRUST BOARD

Hugh MacKay, president of W. C. Pitfield & Co., who has been elected a director of Eastern Trust Co.

C.P.R. Gross 10.9% Higher in Nov.

From Our Own Correspondent

MONTREAL.—Canadian Pacific Railway's gross earnings for November showed an increase of $2.2 millions, or 10.9% over the same month last year. Total for the period was $22.4 millions.

Cumulative earnings for the first 11 months of this year totalled $232 millions, which represented an increase of $32 millions, or 16% over the figure of $200 millions for the corresponding period last year.

Kensington Apts. To Pay Interest

Holders of 7% first mortgage bonds of Kensington Manor Apts., Windsor, in receivership, are advised that the building has been fully rented and there have been no unusual expenditures.

Sufficient funds have accumulated for a further distribution on interest and the court has approved payment of six months' interest at 7% to Oct. 20, 1934, plus past due simple interest at 5% in Canadian funds.

Interest payment for each $100 bond will be $4.92 from which there will be deducted an income tax of 34 cents for residents and 74 cents for non-residents.

Annual Meetings

1942	Company	Place
Dec. 11	Hiram Walker	Windsor
Dec. 11	Natl. Sewer Pipe	Toronto
Dec. 11	O'Brien Gold	Montreal
Dec. 14	Candn. Ind. Alcohol	Montreal
Dec. 17	Candn. For. Invest.*	Montreal
Dec. 17	Sher.-Williams	Montreal
Dec. 18	Marcus Loew's	Toronto
Dec. 18	South. Can. Power	Montreal
1943		
Jan. 8	Banque Can. Nationale	Montreal
Jan. 14	Provincial Bank	Montreal
Jan. 14	Royal Bank	Montreal
Jan. 20	Bank of Toronto	Toronto

*Special.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Eastern Car	†6%	1952	Jan. 1	103
Nfld. Pr. & P.	5½%	1970	Jan. 15	105
McCormicks	‡4½%	1962	Jan. 1	102
Stand. Lime▲	6%	1944	Feb. 1	102
†$52,000. ‡$65,000. ▲$21,500.				
Stock Issues				
Beatty Bros.	6%	1st Pref.	Dec. 15	‡110
Can. Wire & Cable, p.	▲6½%	Pref.	Dec. 15	‡109½

‡Includes dividend accrued to date of redemption. ▲$355,500.

Notice to Holders of Direct and Guaranteed Debentures of the

CITY OF NORTH VANCOUVER, B.C.

Notice is hereby given that a Plan for Refunding the Direct and Guaranteed Debentures of the City of North Vancouver, British Columbia, is being recommended to debenture holders for their approval by the City of North Vancouver Debenture Holders Committee.

In order to become effective the Plan requires that holders of at least 51% of the City's Direct and Guaranteed Debentures register approval to its terms. Accordingly, the Committee desires to urge all holders of City of North Vancouver Direct and Guaranteed Debentures to communicate with the Secretary to the Committee, C. H. Webb, Tenth Floor, 302 Bay Street, Toronto 2, Ontario, in order to obtain a circular containing a detailed summary of the Plan together with a Form for signifying approval thereto.

North Vancouver To Refund Debt

Improvement in Finances Brings Plan to End Ten-year Default

Approval of a refunding plan for the debenture debt of the City of North Vancouver, which has been in default since 1932, is being sought from debenture holders.

C. H. Webb, secretary of the debenture holders committee, says that affairs of the city have improved during recent years. The plan provides for cancellation of all arrears of interest to Dec. 31, 1942. Present outstanding debentures are to be exchanged for new 30-year refunding debentures.

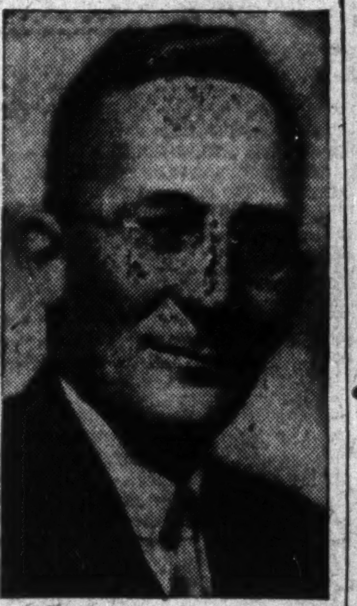
Interest rates on the new debentures will be on a sliding scale—2½% for the first eight years, 3% for the next seven years, 3½% for the succeeding seven years, and 4% for the last eight years.

Interest and principal payments will require $90,000 annually during the first eight years, $110,000 annually for the next seven years, $125,000 for the succeeding seven and $130,000 annually for the final eight years.

North Vancouver direct and guaranteed debt in the hands of the public amounts to approximately $2.5 millions. The refunding plan will become effective upon approval of holders of at least 51% of the debentures.

P.E.I. Traffic At Higher Level

Northumberland Ferries Ltd. reports that the Prince Edward Island-Nova Scotia ferry service carried on by the M. V. "Prince Nova" terminated for the season Nov. 30. Traffic for the season totalled 35,757 passengers, 5,537 autos and 1,597 trucks. This is an increase over 1941 of 10,454 passengers and a decrease of 22 in autos and trucks.



DIRECTOR

Charles B. Shields, who has been elected a director of the Dominion Bank. He is vice-president and general manager of Loblaw Groceterias Co.

N. B. Telephone Co. Changes Executive

From Our Own Correspondent

MONTREAL. — New Brunswick Telephone Co. announces that Horace G. Black, present comptroller, has been appointed general manager in charge of operations. George M. McKiel, at present general commercial manager, succeeds Mr. Black as Comptroller.

The changes, effective on Jan. 1, followed the resignation, due to ill-health, of O. J. Fraser, general manager for the last 16 years.

Alexander J. Thompson, Fredericton, as present commercial superintendent of No. 3 District, has been appointed general commercial manager at Saint John. Fred A. Kennedy, Fredericton, at present chief clerk in the No. 3 District commercial office, succeeds Mr. Thompson.

U. S. paper mill operations have declined further, according to the American Paper and Pulp Association. During the week of Nov. 28, reporting mills operated at 83.5% of capacity, as against 87.5% in the preceding week, 107.7% in the week of Nov. 29, 1941.

Minneapolis, St. Paul & Sault Ste. Marie Railway Co.'s new common stock has been admitted to trading on the unlisted department of the Montreal Curb Market.

The Shareholder

Declaration of a year-end extra of $2.50 a share on its common by Goodyear Tire & Rubber Co. suggests that it has found operations in 1942 better than expected earlier when crude rubber supplies were cut off. In October, A. G. Partridge, president, mentioned that the company's factories were extremely busy on orders for military purposes and it was earning sufficient to pay its dividends.

Actually, Goodyear will have paid in the calendar year $7.50 a share on its common stock. An extra dividend of $2.50 a share was paid Jan. 2 this year and the latest extra will be paid on Dec. 31. This will be a factor in determining income taxes for investors holding this stock. It is probably better for comparative purposes to regard the company as having paid $5 a share out of this year's earnings as the Jan. 2, 1942, extra came from 1941 surplus. The common stock has more than doubled in price since last April.

* * *

Developments, not earnings, are the big thing to consider in stocks of oil producing companies under present circumstances, according to a correspondent in New York. He emphasizes that transportation problems are unsettling the whole South American oil industry. In Venezuela, he professes to see little reason for disturbance or concern about the tax situation, although admitting some oil concessions in that country may be changed.

* * *

United States investors are maintaining a continuing and perhaps growing interest in Canadian securities, according to New York reports. Americans are said to have been impressed by the vigor and throughness of Canada's wartime controls and argue from this that Canadian investments will prove attractive following the war. In actual practise there are considerable restrictions on freedom of trading back and forth across the border although Canada welcomes any U. S. capital that seeks employment here. It is claimed that a wide range of stocks are interesting investors in the United States, including gold stocks, probably reflecting a favorable attitude toward golds as peacetime holdings in view of the current restrictions on the activities of gold mining companies.

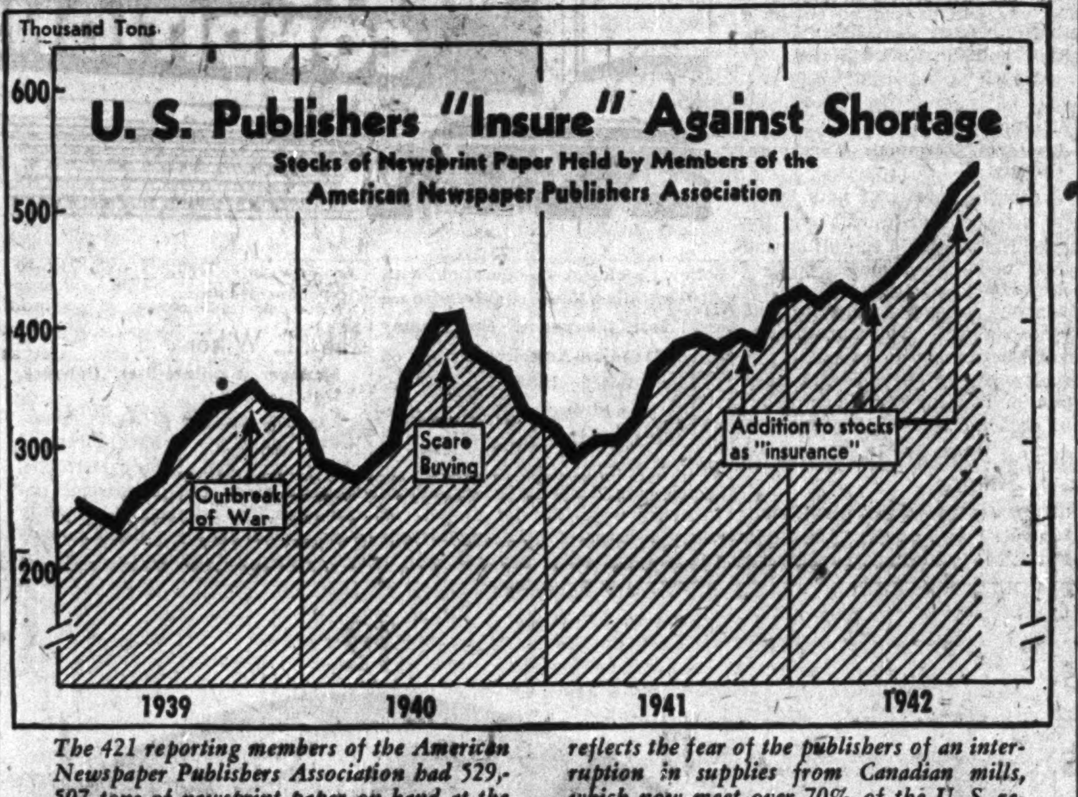
* * *

How drastic has been the interruption in exports of petroleum products from Colombia, South American country in which International Petroleum Co. is the major producer, is revealed by the announcement that daily average production of crude oil in September this year was 11,600 barrels as compared with 67,400 barrels average for all of 1941. It is now considered likely that Colombian oil production in 1942 will be less than 10.5 million barrels compared with 24.6 million barrels for 1941, according to the Oil & Gas Journal. An all-time daily high in oil production was hit in February this year at 83,500 barrels. Since then there has been a decrease of 86% from this peak and one of 78% from the 50-year average.

This condition, as reported in The Financial Post, has been directly responsible for passing of its dividends by Andian National Corporation, pipe line subsidiary of International Petroleum operating in Colombia.

* * *

Capital imports resulting from trade in securities with other countries in 1942 is apparently headed for a new wartime record by a large margin. The $70.4 millions brought in during the first eight months this year is more than double the $33 millions for all of last year and almost three times 1940's total. Almost all of this trade is with the United States and, of total sales to U. S. investors to date this year of $111.4 millions, Dominion, provincial and Dominion guaranteed bonds make up about $76.2 millions. Last year, there was a noticeable tendency for Canadians to liquidate their holdings of United States stocks and this has continued in 1942 but on a smaller scale.



The 421 reporting members of the American Newspaper Publishers Association had 529,507 tons of newsprint paper on hand at the beginning of this month. This is the largest volume of newsprint carried by the members since the memorable days of 1937 when they accumulated stocks of paper after the premature announcement of a price rise at the beginning of 1938. The present supply is equivalent to 65 days' reserve at the current rate of consumption. Far above average, this reflects the fear of the publishers of an interruption in supplies from Canadian mills, which now meet over 70% of the U. S. requirements. Though reserves are of near record proportions, they are still well below the figure allowed by the Newsprint Administrator in Canada and the War Production Board in the United States; which have fixed publishers' reserves at a maximum of 90 days.

Crown Zellerbach Earnings Down

Shortage of Logs Having Effect on Present and Future Operations

From Our Own Correspondent

MONTREAL.—Crown Zellerbach Corp. and subsidiaries, including Pacific Mills Ltd., report, for the six months ended Oct. 31, 1942, a net profit of $3,594,048, or $1 a share on the common stock. This compares with a revised net profit of $4,611,770, or $1.45 a share in the six months ended Oct. 31, 1941.

"The increasing demand for materials required for successful prosecution of the war is progressively restricting the available supply of many items to keep the company's mills in operation," J. D. Zellarbach, president, said. "A shortage of logs has developed in the Pacific northwest, due to labor shortages in the woods, the tremendous war-created need for lumber, and the embargo imposed in recent months on log exports from British Columbia.

"As a result, the War Production Board has limited the amount of logs which pulp and paper mills in the Puget Sound area may consume and operations of our two mills in this district have been reduced accordingly. These mills are now operating at approximately 75% of capacity. All our other mills continue to operate at capacity."

Algoma Central Terminals Ltd. will pay on Dec. 31, 1942, the interest installment on its 5% first mortgage bonds which was originally due Dec. 31, 1933. The payment will include nine years' back interest, or 45% of the face amount. Payments to debenture stock holders resident in Canada will be subject to 7% deduction for Canadian income tax.

B. C. Grants Loans For Flax Growers

From Our Own Correspondent

VANCOUVER—The fibre flax industry will be aided in British Columbia by the provincial government's action in offering $85,000 in interest-free loans to Fraser Valley flax growers, the amount to be repayable in eight annual installments.

Experiments have shown British Columbia capable of growing high quality flax, although acreage has been limited in the past.

Canada Western Cordage Co. of Vancouver is prepared to establish a mill and equipment for a number of products from flax and other soft fibres, according to Frank C. Brown, managing director. The outlay will be about $200,000.

Concourse Bldg. Fully Occupied

Adelaide-Sheppard Co. 7% first mortgage bondholders are advised that the building is fully rented except for 2,600 sq. ft. on the main ground floor corner. Annual rentals in effect as at June 1 1942, were $103,230 as compared with $99,026 at Nov. 30, 1941. The company holds the Concourse Bldg., Toronto.

W. R. Sweeny, chairman of the bondholders' committee, says that none of the increase in occupied space may be attributed to unnatural demand on account of war.

During the period ended Nov. 30, 1941, rentals and other receipts totalled $96,381 while $84,250 was repaid on money borrowed on receiver's certificates, increasing surplus forward to $12,131. To this cash on hand there must be added the net income for the ensuing months to date but this latter figure cannot be definitely ascertained until the accounts have been passed and approved by the court.

Second Interstate Royalty Corp. investment had a book value of $291,306 at the end of last month. Gross revenue from royalty income since acquisition totalled $68,538, and reserve for depreciation $18,648.

Clarendon Apts., Toronto, on Dec. 15 is paying interest on its 7% first mortgage bonds due 1946 at the rate of $10 per $1,000 bond. This will be applied on account of coupon No. 16, due Dec. 15, 1934.

C. N. R. Seeks Line Control

Asks I.C.C. Approval on Atlantic and St. Lawrence Deal

From Our Own Correspondent

MONTREAL. — Application has been made by the Canadian National Railways to the Interstate Commerce Commission for authority to acquire control of the capital stock of the Atlantic & St. Lawrence Railway Co.

For many years the C. N. R. has had an operating agreement with the Atlantic & St. Lawrence. It has now come into possession of a substantial share of the stock as a result of the repatriation by the Canadian Government of C. N. R. securities held by residents of the United Kingdom.

It proposes to acquire, in addition, a small number of shares at a price of $70 per share as compared with $51.05 per 100 of stock paid to holders of sterling shares in Britain.

If the application is granted, the Canadian National will later apply to consolidate in the Atlantic & St. Lawrence ownership of the property of the New England Elevator Co., of Portland, Me., and the railroad between Island Pond, Vt., and the international boundary.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39=100)												
*1935 to date:												
High	134.5	234.4	149.7	123.7	135.7	118.3	128.3	153.4	146.8	118.2	145.0	134.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	68.7	60.2	69.0	65.2	61.1
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	99.2	75.1	64.4	91.1	70.4	66.8
Feb.	73.4	69.3	69.7	43.6	108.7	85.5	96.3	73.9	62.1	91.1	67.7	64.7
Mar.	69.7	66.1	70.9	41.2	104.3	75.8	92.8	74.0	62.0	89.4	67.5	62.3
Apr.	70.6	63.2	69.6	41.4	102.4	74.2	93.1	73.9	60.2	88.4	66.3	61.1
May	74.7	61.1	70.5	43.2	104.3	73.5	94.2	75.7	60.7	87.4	66.4	62.0
June	78.2	61.1	69.6	44.5	106.6	73.9	93.6	76.8	64.3	87.7	68.1	62.8
July	76.6	58.9	65.3	46.6	100.4	75.9	95.5	75.3	65.2	81.7	67.8	62.4
Aug.	76.0	56.0	61.2	47.5	97.7	75.3	98.3	73.1	66.9	71.9	67.8	61.6
Sept.	77.9	55.9	62.0	49.0	99.8	74.2	98.7	71.2	67.1	69.0	69.2	62.6
Oct.	80.3	57.8	64.9	51.0	99.6	74.0	98.9	70.8	67.9	70.3	72.0	65.0
1942: Weekly Figures:												
Nov. 5	81.5	57.2	66.0	52.2	99.4	73.8	101.7	71.5	68.2	71.1	75.1	66.2
Nov. 12	82.0	62.8	71.0	53.9	99.8	75.5	105.4	73.8	70.5	71.5	76.6	67.6
Nov. 19	82.0	62.4	71.7	53.2	101.7	75.5	105.3	74.1	70.7	72.2	76.5	66.8
Nov. 26	82.7	64.4	73.3	53.7	103.2	78.4	106.3	76.0	73.2	72.7	77.9	67.9
Dec. 3	84.3	66.3	79.3	55.4	104.1	82.3	108.8	78.9	77.9	74.1	82.0	69.5

*High and low for years from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Dec. 8	95.49	64.24	62.80	17.60
Dec. 7	95.83	64.11	63.94	17.59
Dec. 5	96.10	64.19	62.74	17.70
Dec. 4	96.30	64.30	62.91	17.70
Dec. 3	95.66	65.06	63.07	17.77
Dec. 2	95.29	63.72	62.86	17.81
Month ago	92.16	62.17	63.21	18.25
Year ago	91.23	65.51	66.52	18.53
High 1942	96.35	63.71	71.01	18.86
Low 1942	79.85	50.16	56.74	15.44

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Cbd.	10 Pprs.	15 Golds
Dec. 8	49.0	61.1	57.1	65.28	46.24
Dec. 7	48.9	61.1	57.0	66.06	46.95
Dec. 5	49.4	61.3	57.3	65.56	47.46
Dec. 4	49.4	61.2	57.2	66.23	47.46
Dec. 3	49.5	61.2	57.3	65.80	47.34
Dec. 2	49.1	60.9	57.0	63.84	47.22
Month ago	45.6	58.4	54.1	58.34	40.67
Year ago	42.2	59.4	53.7	76.87	58.14
High 1942	49.8	61.2	57.3	77.18	54.82
Low 1942	39.6	53.5	49.8	47.88	38.47

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Canada Under a "Beveridge Plan"

Some Probable Economic Effects of Similar Plan Here

By ROBERT C. STARK

What would be the effect on business and the Canadian economy of adopting in Canada a social service setup like that proposed by the Beveridge report.

Certainly the Beveridge scheme does not fit neatly into the Canadian pattern. Britain is fundamentally a manufacturing nation; Canada is still largely dependent upon its production of primary materials. An overall Canadian plan would have to take into account the sharp seasonal swings in the level of employment.

However a rough translation of the Beveridge proposals into Canadian terms has some interesting implications, particularly in its effects on national income, hence business cycles. Here is how it is seen by the economists.

Level the Peaks

The most flexible application of a Beveridge-type scheme of social insurance would theoretically have kept Canada's national income appreciably above the low level to which it dropped in 1933, the trough of the depression. At the same time the effect would have been to level out the peak in national income during 1928-29.

During the boom 1928-29 period when national income was running around $5.1 billions, an 11% diversion to a social security plan such as Beveridge envisages, would have reduced the national income by some $566 millions to approximately the 1927 level. Application of that $566 millions at the bottom of the depression in 1933 when national income dropped to around $2.8 billions would have raised the national income level to around the same point as actually prevailed in 1931 and 1935.

Other Factors

Actually, of course, there would be neither a full 11% siphoning off of actual income at the peak or a reintroduction of that full sum at the bottom. Even during the boom days benefits would have been paid out, while at the nadir of the depression there would be contributions from national income to continue the fund. On the other hand, it should be noted that the reintroduction of part of the boomtime national income into the country's economic bloodstream during a period of depression could have a more than ordinary reaction. When business is starved there is a tendency for the effect of an introduction of new money to be multiplied, so that its actual impact on the level of business operations is greater than it would have been if business activity had already been at a higher level.

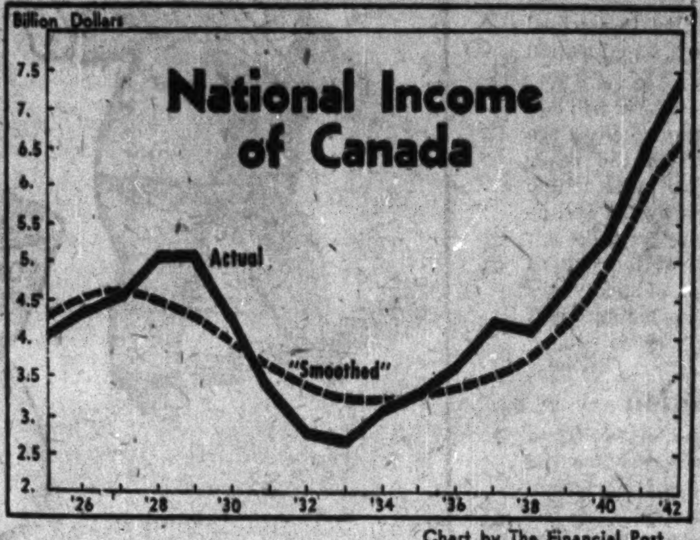

Chart by The Financial Post

One aspect of the Beveridge report is the stabilizing influence its proposals might have on national income over a period of time. Chart shows how a theoretical siphoning off of 11% of Canada's income at the 1929 peak might have smoothed the dip at the 1933 bottom.

The general effect of a social insurance scheme such as that of Beveridge, so far as national income is concerned, would be to flatten out the peaks and fill in the valleys, according to generally accepted economic theory.

Economists can be found to argue against the ultimate wisdom of this flattening-out process. They say that depressions, like wars, have a part to play in progress. Without the weeding out effect of depression, inefficient enterprises may continue in operation overlong. Such a condition, goes this argument, would mean a protection to the inefficient and a restriction to healthy expansion.

It does not seem likely that a plan of the scope of the Beveridge scheme would have such a stagnating influence. It can help to minimize the swings of national income figures; it cannot control some of the basic factors affecting those swings. For instance, the level of Canada's national income is directly related to the state of our export trade—a domestic social security programme cannot control conditions in foreign markets.

Again, at the bottom of the depression full application of Beveridge social security funds would probably be too small to mean an automatic return to prosperity. In a recent study "The Economist" estimated that in Britain, at 1938 prices, full employment would have required £1.2 billions, equal to about 20% of the national output, to be invested annually in capital goods. The Beveridge report recommends distribution of not more than 11% of national income, and cost of the plan in 1945 is estimated at around £697 millions. On the basis of Canadian population and exchange rates this latter figure would be equivalent to a cost of around $800 millions in this country.

Extension of a Trend

In the fairly good business year of 1937 Canadians spent the following on social security:

(Millions of Dollars)	
Relief (by Dom., provs. & munics.)	153
Prov. pub. welfare	44.5
Dom. pensions, care returned soldiers, etc.	82.3
Total	279.8

That $279.8 millions includes $42.2 millions for war pensions, an expenditure not included in the Beveridge plan. It does not include the recently inaugurated unemployment insurance payments which are totalling some $60 millions annually from all contributors. It would therefore appear that Canada now pays more than $279.8 millions for social security. However, taking this figure as a starting point, it represents some 6% of 1937 national income. Adoption of the Beveridge system in toto would mean less than doubling that percentage.

One of the most important points in connection with such a plan is not the actual money to be provided but that there would be at least an approach to preparedness for periods of depression. While Canada spent millions trying to work her way out of the depression there is little doubt that much of that money did not exert its full effectiveness simply because the problem burst upon an unprepared country. The steps taken to help alleviate the depression's influence were necessarily hurried, some of them were haphazard. Money for these programmes had to be drained from declining incomes.

While Canada still lacks any comprehensive programme for anticipating an economic ebb-tide, Canadians are well aware of such a need. Says A. E. Grauer in a report prepared for the Rowell-Sirois Commission:

> "It is clear from the experience of the last depression, then, that if a works programme is to have effect and not be just an expensive way of giving relief, it must be planned on the broadest possible basis and as far as possible budgeted for in advance."

Who Pays?

Who is to pay for the cost of a scheme such as the Beveridge report envisages? How is that cost to be distributed among various elements of the population? The following table shows the breakdown for Britain in three columns. The first column shows the actual expenditures on the social security programme in effect 1938-39; the second column shows the estimated costs of the same programme by 1945, and the third column the estimated cost of the Beveridge plan in 1945.

Cost to:	1938-39 costs	Existing plan costs in 1945	Beveridge plan costs in 1945
		millions of £	
Exchequer	212	265	351
Insured	55	69	194
Employer	66	83	137
Other costs (mainly interest)	9	15	15
Total	342	432	697

By 1945, then, the Beveridge plan would mean an increased contribution from public funds of around one third; a tripling of the load on the insured and a 50% increase in the obligation of the employer. In total the Beveridge scheme would mean doubling of pre-war expenditures and an increase of some 60% over what present social security plans would cost in 1945.

Of total 1945 costs, some 50% would be borne by the exchequer, 28% by the insured and 22% by the employers. The money supplied by the exchequer, of course, must ultimately be derived from the taxpayer.

In Canada doubling of our pre-war social security costs would mean provision of another $280 millions or so, or approximately $25 a year additional for each man, woman and child in the Dominion.

Raise Costs?

One argument against a system of contributory social insurance is that it would raise the price of manufactured goods. On this point Dr. Grauer has reported to the Rowell-Sirois Commission the opposing point of view:

> "The outstanding reason why social insurance would not necessarily involve additional costs to business or extra calls upon public treasuries is that heavy payments are being made because of social insecurity now. Unemployment relief is of course the most obvious example, but large payments are also being made for old age pensions, mothers' allowances, hospitalization, medical relief, and so forth.
>
> "When it is realized that over $1,000 millions has been spent by Canadian governments during the short space of this depression on unemployment relief alone, the weight of the present burden of social insecurity upon public treasuries can be appreciated as a really staggering one. The costs of social security are, therefore, now being met but in an unplanned and wasteful way and with no thought of keeping up the physical efficiency of the working force of the country. Furthermore, they fall heaviest during times of depression, the very time that business and the country at large can least carry them, and consequently retard recovery. The concealed costs of delayed recovery may be enormous and they affect all classes of people."

This, of course, is fundamentally the same argument that Sir William Beveridge uses in sponsoring his plan. "We pay these costs unconsciously, paying them consciously would not increase the burden."

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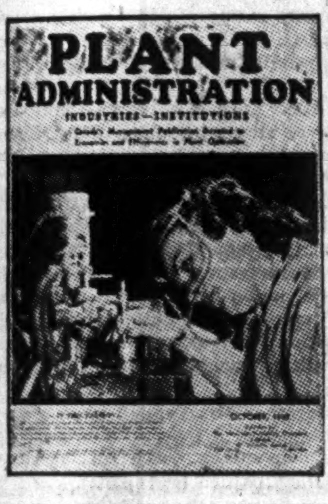

"THE WOLVES HOWL — and Whisper Too"

This editorial in November "Plant Administration" has been widely quoted in the daily press and elsewhere.

Officials of two large war industries commented on the theme **"It's a wonder someone didn't think of this before now."**

It dealt with one of the most serious pieces of fifth column work, to which many Canadians are unwittingly contributing.

It is typical of the forthright editing which has made such an important place for this monthly MacLean publication **serving 4100 management and operational executives among Canadian industries and institutions.**

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DIVIDEND NOTICES

SIMON'S

H. Simon & Sons Limited

Dividend Notice

A Dividend of $1.75 per share has been declared upon the outstanding 7% Cumulative Preferred Stock of H. SIMON & SONS LIMITED, said Dividend to be payable on the 22nd day of December, 1942, to shareholders of record at the closing of business on the 8th day of December, 1942; also a regular Dividend of 15 cents per share which has been declared upon the outstanding NO PAR VALUE Common Stock of H. SIMON & SONS LIMITED, said Dividend to be payable on the 22nd day of December, 1942, to shareholders of record at the closing of business on the 8th day of December, 1942.

By Order of the Board.
H. A. SIMON,
Secretary.

Montreal,
November 30th, 1942.

SUPERTEST Petroleum Corporation Limited

NOTICE OF DIVIDENDS

"B" PREFERRED

A half-yearly dividend at the rate of 6% per annum on the Class "B" Preferred stock of this Corporation for the half-year ending December 31, 1942, has been declared; payable January 2, 1943, to shareholders on record at the close of business December 11, 1942.

COMMON AND ORDINARY

The Board of Directors has declared a half-yearly dividend of 50c per share on the Common and Ordinary stocks of this Corporation for the half-year ending December 31, 1942; payable January 2, 1943, to shareholders on record at the close of business December 11, 1942.

SHARE WARRANTS

Share Warrant holders will present coupons, serial number 46, to the Canadian Bank of Commerce, London, Ontario, and branches in Ontario and Quebec, on and after January 2, 1943, where payment will be made at par.

By Order of the Board.
JAMES D. GOOD,
Secretary-Treasurer.

London, Ontario, December 7, 1942.

BRITISH COLUMBIA POWER CORPORATION, LIMITED

DIVIDEND No. 58

NOTICE is hereby given that a dividend of Fifty cents (50c) per Share on Class "A" Shares has been declared for the three months ending December 31st, 1942, payable by cheque dated January 15th, 1943, to shareholders as of record at the close of business on December 31st, 1942. Such cheques will be mailed on January 14th, 1943, by the Montreal Trust Company from Vancouver.

By Order of the Board,
J. A. BRICE,
Secretary

Vancouver, B.C.
December 4th, 1942.

DIVIDEND NOTICES

The Sherwin - Williams Company of Canada, Ltd.

Notice is, hereby, given that the one hundred and twenty-sixth quarterly dividend of one and three-quarters per cent (1¾%), being at the rate of seven per cent (7%) per annum, for the quarter ending November 30th, 1942, on the Preferred Stock of the Company has been declared, payable to Shareholders of record the 15th day of December, 1942, and that cheques will be mailed on January 2nd, 1943.

Books not closed.

By Order of the Board.
P. W. HOLLINGWORTH,
Secretary-Treasurer.

Montreal, Quebec,
November 18, 1942.

SOUTHERN CANADA POWER COMPANY, LIMITED

The Board of Directors has declared this day the following dividend:

6% Cumulative Participating Preferred Stock

No. 92, quarterly, $1.50 per share, payable January 15th, 1943, to holders of record at the close of business December 19th, 1942.

No Par Value Common Stock

No. 71, quarterly, 20c. per share, payable February 15th, 1943, to holders of record at the close of business January 20th, 1943.

L. C. HASKELL, F.C.I.S.,
Secretary.

Montreal, November 27th, 1942.

FORD MOTOR COMPANY OF CANADA, LIMITED

DIVIDEND No. 60

The Board of Directors has declared a cash dividend of twenty-five cents ($.25) per share, payable on all of the outstanding shares of the company on December 31, 1942, to shareholders of record at the close of business December 14, 1942.

G. G. KEW,
Secretary.

Windsor, Ont.
December 4, 1942.

PROPRIETARY MINES Limited

DIVIDEND NO. 8

NOTICE is hereby given that a Dividend of Eight Cents per share has been declared on the issued capital stock of the Company, payable in Canadian Funds on January 8th, 1943, to shareholders of record at the close of business on December 23rd, 1942.

By Order of the Board.
J. INGRAM,
Secretary-Treasurer.

Toronto, Ont., December 4th, 1942.

Moore Corp. Sales Continue High

Pays Same Extra as Year Ago — Business Shifts to War

Moore Corp. has declared an extra dividend of 66½c a share on its common stocks, payable along with the regular quarterly dividend of 55½c a share in Canadian funds, Jan. 2, 1943, to shareholders of record Dec. 8. A year ago the company paid an extra dividend of the same amount.

Shift to war business reported earlier in the year by The Financial Post, has been accelerated in the last six months as expanded war industries have required more of the business forms which Moore Corp. makes. A sharp curtailment in ordinary peacetime business has been experienced at the same time. This is expected to decline still further next year if restrictions on production of civilian goods grow more severe.

The company reports its paper-box division has been swamped with orders for paper and board containers to replace metal containers. Output of these has been complicated, by a shortage of paper.

R. S. McLaughlin, Oshawa, and George W. Fraker, New York, have been elected to the board of directors, replacing the late G. W. McLaughlin, and H. H. Griswold.

DIVIDEND NOTICES

Canadian Tube & Steel Products Limited

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) on the 7% Cumulative Preferred Stock of Canadian Tube & Steel Products Limited has been declared payable on the 31st day of December, 1942, to Shareholders of record at the close of business on the 24th day of December, 1942.

By Order of the Board.
P. B. NASH,
Secretary.

Montreal, December 4th, 1942.

Sun Life Assurance Company of Canada

Head Office: Montreal
Stock Transfer Department

Notice is hereby given that a dividend of three dollars twenty-five cents ($3.25) per share on the capital stock of the Company has been declared for the quarter ending December 31st, 1942, and will be paid on January 1st, 1943, to shareholders of record at the close of business December 16th, 1942.

The stock transfer books of the Company will be closed from December 17th to December 31st, both dates inclusive, for the preparation of the above dividend.

By Order of the Board.
F. J. CUNNINGHAM,
Secretary.

E. R. Meredith J. M. Smillie J. R. Lovatt

NEW DIRECTORS

Sterling Trusts Corp. announces appointments of E. R. Meredith as secretary, J. M. Smillie as treasurer, and J. R. Lovatt as assistant manager. Mr. Lovatt has been with the company for 24 years, Mr. Smillie 19 years, and Mr. Meredith 15 years.

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BANK OF COMMERCE APPOINTMENTS

Allan E. Arscott, general manager of the Canadian Bank of Commerce, who has been appointed executive vice-president. At the same time appointment of Stanley M. Wedd (right) as general manager in succession to Mr. Arscott is announced.

The Bondholder

Bond traders report a continuing enquiry for corporation issues at the accelerated pace which has held for the past couple of weeks or so. In some issues there is said to be a scarce supply resulting in a bidding up of the price without much turnover. Throughout the market as a whole there has been an improved activity dating from completion of the Victory Loan.

• • •

Burns 5's at 73½ bid moved up a couple of points on the week. The company is understood to be enjoying improved operations and there is said to be reason to expect better earnings, Central point of improvement in the Burns situation, of course, is the increasing hog population on the Prairies and the heavy bacon demand for overseas shipment.

• • •

Winnipeg Electric bonds have been another recent strong feature with the A's about 91¾ bid and the B's 83 bid, both up some three points on the week. Most recent monthly report for this company shows October output at 94.1 million kw.h. as compared with 74.6 million kw.h. in September and 72.6 million kw.h. in August.

• • •

Canadian Vickers 6's have met renewed market interest moving up around four points to 98 bid. There has recently been some discussion over the next interest payment with some attributing the rise in price of the bonds to anticipation of this payment which falls due Feb. 1, 1943. Last Aug. 1 the company paid the coupon due at that time along with the coupon due Aug. 1, 1939, plus simple interest on the latter at 6%.

• • •

Interest rates in this war and the last were the subject for comment by C. H. Carlisle, president of the Dominion Bank, at the annual meeting. Mr. Carlisle pointed out that in World War 1 the average annual interest rate on all Dominion borrowings was approximately 5.35% Actual cost of the loans, however, was even higher due to the fact that interest and principal were payable in U. S. currency. These issues, other than the 1919 Victory Loan, were tax exempt which caused a substantial loss in government revenue.

During the present war the average rate of interest on Dominion public and bank borrowings, including treasury bills, is less than 2.20%. There are two principal causes for the low rate of our recent financing, says Mr. Carlisle; first, monetary rates over quite a period of time, both in the U. S. and Canada, have been at an all-time low and, second, compulsory governmental control of interest rates through the Bank of Canada.

• • •

Alberta's appeal to the privy council against the Canadian Supreme Court decision holding the Alberta Debt Adjustment Act ultra vires of the provincial legislature has been heard and judgment has been reserved. According to cable advices from London judgment is not expected until early in the new year.

• • •

Toronto Stock Exchange reports member borrowings at Nov. 30, 1942, totalled $6.9 millions, up $695,956 from the end of October this year, but down $1.7 million from Nov., 1941. Quoted market value of all listed securities at Nov. 30 this year was $3,501 millions compared with $3,320 millions for October and $3,685 millions for Nov., 1941. Trading volume last month was 4.3 million shares valued at $6 2/3 millions compared with 3.4 million shares valued at $6.2 millions in Nov., 1941, and 3.1 million shares valued at $5.8 millions in October this year.

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LA PATRIE - FRENCH - CANADA'S SUNDAY NEWSPAPER

The Editorial Page . .

Let's Have Full Disclosure

Taxes now largely determine a corporation's net earning power. Especially is this the case since the introduction of the last budget. The matter is not only important to the corporation concerned, but also to the tens of thousands of investors throughout the country. It is important that they know what taxes are being paid by the company; its profit base and how much of the excess profits tax is recoverable.

Already the first reports have made their appearance showing the partial effect of the new income and "excess" profits taxes. The number will increase from now on, reaching a peak about the middle of next March.

In a few cases reports appearing recently have given full disclosure of tax position, indicating how earnings next year may be affected. But others have not done this and have left investors in the dark. There was a time when companies were loath to give their shareholders full information. Happily that attitude has disappeared, thanks largely to the amended Dominion Company's Act which requires the disclosures of such information.

Under the new tax setup it is vitally important to the shareholder or investor in appraising a company's earning power that he know the profit base for taxation purposes. It is equally vital that he know how much of the "excess" profits tax will be refundable after the war. Where the tax base has been established by the National Revenue Department, there does not appear to be any good reason for failure to disclose this information, nor is there any good reason why details should not be given as to the refundable portion.

Where this information is not given in an annual statement, the report does not give a complete picture of a company's finances. Auditors should not give a certificate to the effect that the balance sheet "is properly drawn up so as to exhibit a true and correct view" of the affairs of the company under such circumstances.

The Siege Lifts

A recent picture from the British Isles shows workmen erecting a sign post on the road from London to Folkestone. Whether they realized it or not, those workmen were making history.

Immediately after Dunkirk, when the whole southeast coast of England was expecting invasion, all sign posts and similar identifications were removed from the vulnerable area. True, no Briton was gullible enough to believe that such action would completely foil the Nazis, but it certainly would not make hostile troop movements any easier.

Now the signs are going up again, concrete and visible evidence that the most dangerous phase of the war is past. When British and German troops again clash in Europe, it will not be on the downs of Kent and Sussex.

Must Regain Our Initiative

National willingness and understanding to accept control regulations are an integral part of our war effort. These controls are essential. That is war. However, in addressing the shareholders at the annual meeting of the Bank of Montreal, Huntly R. Drummond, president, pointed out that on the shoulders of free enterprise stand those other freedoms that make up democracy—freedom of conscience, freedom of speech, freedom of labor and equality before the law.

Mr. Drummond emphasized his remarks by pointing to the wide expansion which has taken place in industrial output. The government has provided the money, guaranteed the overhead and provided the necessary market. But without freedom of enterprise the magnificent contribution which Canadian industry has made to the cause of the United Nations would not have been possible. The conditions which exist today will not and cannot obtain after the war, Mr. Drummond declared. If we are to continue the system of free enterprise for which we are fighting, government controls and regulations must be removed with all possible speed. Then, Mr. Drummond contends, we must look to the initiative and trained experience of private enterprise to reverse the process and to convert our war factories to the production of peacetime goods.

The soundness of the argument advanced by Mr. Drummond will not be denied. It is recognized that in fighting for freedom we must only temporarily forego freedom. This fact is one which should be kept constantly in mind, especially at a time when there is considerable discussion as to the new economic world which will prevail after the war.

The Financial Post's Platform for War

1. *Effective mobilization of all resources, materials, productive capacity and manpower, without reservation, for an all-out war effort.*
2. *A national cabinet, representative of all loyal groups, and consisting of Canada's ablest brains.*
3. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
4. *A non-political industrial executive to organize and direct procurement of war supply.*
5. *Pay-as-we-go policy, to the very limit consistent with an all-out war effort, to avert inflation.*
6. *Elimination of wasteful spending by public bodies or private individuals.*
7. *A national programme for postwar Canada, providing for fullest possible employment and improving social standards, through free competitive enterprise.*

Ilsley's Job—Not Gordon's

There has been widespread comment on the fact that it was the Minister of Finance who made the latest announcement about changes in price control—not the chief of the W.P.T.B., Donald Gordon.

Up to now, it has been more customary for the administrative heads of wartime departments to make such pronouncements.

The change is a sound one and is better for all concerned. We still have democratic government in Canada and want to preserve it. Whatever Mr. Gordon or any other administrator may recommend, the decision to act rests ultimately with our elected representatives.

Cabinet ministers should not try to escape responsibility by leaving drastic and often painful pronouncements to administrators. Administrators, on the other hand, will do their own job better if they avoid any appearance of policy-making, which they of course can do only with government approval.

Price ceiling pronouncements are Mr. Ilsley's job. He will serve Mr. Gordon well by doing it.

A Disservice to Quebec

Quebec is not always fortunate in its spokesmen. The condemnation by Msgr. Phillippe Desranleau, Bishop of Sherbrooke, of the Rotary, Kiwanis, the Elks, Lions' and other "neutral societies," has quite properly been followed by a strong wave of protest. The leading layman in his own diocese, Hon. T. D. Bouchard, mayor of St. Hyacinthe and Minister of Roads in the Quebec Government, has described the attacks as a "narrow policy of isolationism" belonging to a school "which is diminishing in importance, as education makes progress."

Bishop Desranleau's ill-advised attack will not stop the good work which these service clubs are doing in Quebec and elsewhere. On the other hand, he had done a great disservice to his native province. The sentiments expressed by the Bishop are clearly only one view of many and do not necessarily represent the position of the church which he represents. But expression of such views is a serious setback to the work of bringing about a better understanding of Quebec and its people.

The Farmers' Position

Bankers have often been accused of failing to show either understanding or sympathy for the problems of the farmer. There may sometime have been some justification for such a charge but not today. Typical is this extract from the presidential report of C. H. Carlisle to shareholders of the Dominion Bank this week:

> "The rapid advance in farm prices apparently is surprisingly high, but there are compensating conditions that must be taken into account. At the outbreak of war, farm prices were only on a parity with those of 1914. Therefore, an increase of 32% over these subnormal prices does not seem to be unjust when we take into consideration the farmer's increased costs. Labor costs the farmer twice as much, or more, than formerly. Again, the farmer has no certainty of securing experienced labor and, therefore, is in a quandary as to the stock that he may raise or the products that he may grow. Farm prices should not be permitted to further increase, but government should see to it that the farmer's costs are decreased, providing him at all times a reasonable profit."

In a few words Mr. Carlisle thus points out the chief difference in the situation confronting Canadian agriculture and that of other industry at the beginning of the war and the main farm problem facing the authorities in formulating a wartime food policy at Ottawa this week.

Mother-in-law Retribution

There isn't nearly the old enthusiasm these days for mother-in-law jokes. Retribution is undertaking her detractors and tormentors.

This way: Husbands can get some income tax concessions for contributions which they make to support of their own mother and father and other blood relatives. But they get no tax allowance whatever for contributions they make to support of wife's blood relations.

Now that the income tax weighs so hard on the family budget, mother-in-law contributions bite—and more sharply because the income taxers loftily ignore them.

Why? Goodness only knows.

The Postwar World . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won.

Must Free International Trade

Last week's announcement of the commencement of post war economic talks between the United States and Canada adds significance to the following excerpts from an address by Cordell Hull, U. S. Secretary of State, in a national broadcast some time ago. Prior to the war, Mr. Hull was one of the most tireless workers in American government circles for freer trade not only among the countries on this continent but with all members of the British Empire and the so-called sterling bloc of western Europe. Through his cooperation, the abnormally high tariff structure erected by Washington in successive stages following the conclusion of the first Great War, was substantially reduced.

When policies of nationalism—political, economic, social and moral—are carried to such extremes as to exclude and prevent necessary policies of international co-operation, they become dangerous and deadly. Nationalism, run riot between the last war and this war, defeated all attempts to carry out indispensable measures of international economic and political action; encouraged and facilitated the rise of dictators; and drove the world straight toward the present war.

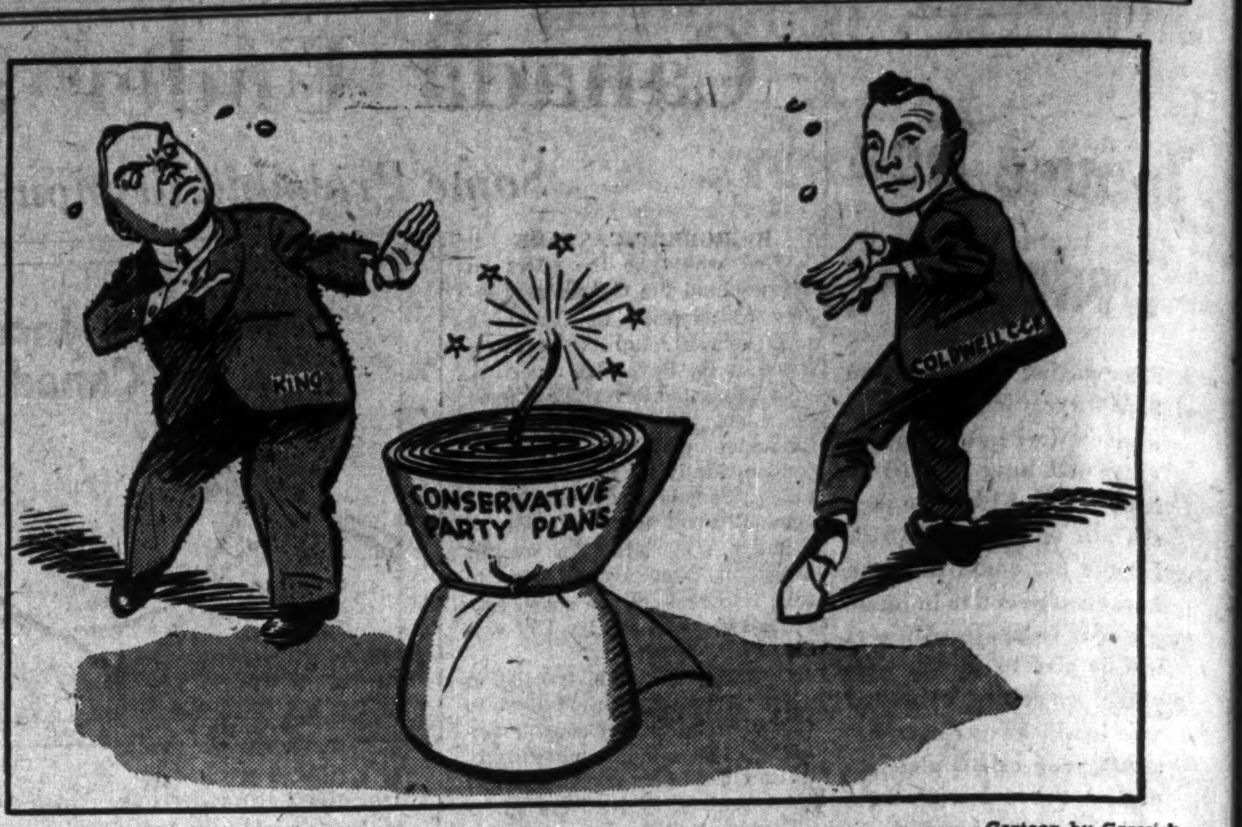
During this period narrow and shortsighted nationalism found its most virulent expression in the economic field. It prevented goods and services from flowing in volume at all adequate from nation to nation, and this severely hampered the work of production, distribution and consumption and greatly retarded efforts for social betterment.

No nation can make satisfactory progress when it is deprived, by its own action or by the action of others, of the immeasurable benefits of international exchanges of goods and services. The Atlantic Charter declares the right of all nations to access on equal terms to the trade and to the raw materials of the world which are needed for their economic prosperity. This is essential if the legitimate and growing demand for the greatest practicable measure of stable employment is to be met, accompanied by rising standards of living. If the actual and potential losses resulting from limitation on economic activity are to be eliminated, a system must be provided by which this can be assured.

In order to accomplish this and to establish among the nations a circle of mutual benefit, excessive trade barriers of the many different kinds must be reduced, and the practices which impose injuries on others and divert trade from its natural economic course must be avoided.

Equally plain is the need for making national currencies once more freely exchangeable for each other at stable rates of exchange; for a system of financial relations so devised that materials can be produced, and ways may be found of moving them where there are markets created by human need; for machinery through which capital may—for the development of the world's resources and for the stabilization of economic activity—move on equitable terms from financially stronger to financially weaker countries.

Building for the future in the economic sphere means that each nation must give substance and reality to programmes of social and economic progress by augmenting production and using the greater output for the increases of general welfare; but not permitting it to be diverted or checked by special interests, private or public. It also means that each nation must play its full part in a system of world relations designed to facilitate the production and movement of goods in response to human needs.



Cartoon by Grassick.

IS IT FIRECRACKER OR BOMB SHELL?

Post-Scripts . . . .

Bank of Montreal's G. M.

English-born Bertie Charles Gardner's appointment this week to the post of general manager of the Bank of Montreal, fulfills the predictions which have been made about him for some time past. A banker of undoubted ability, an outstanding war record, and a pleasing personality are three qualifications which have combined to bring to him one of the most important positions in the Canadian banking field.

MR. GARDNER

Born and educated in Bristol, Eng., Gardner entered banking at the age of 17 with Stuckey's Banking Co. Five years later he turned up in Montreal where he entered the service of the old Bank of British North America, which later was to be absorbed by the Bank of Montreal. After learning Canadian banking methods he moved to British Columbia where he was stationed until the outbreak of the last war. He was appointed manager at Trail, B.C., in 1910. He held the same post at Rossland the following year and in 1913 went to Vancouver as assistant manager. Then just before war broke out he was appointed assistant inspector.

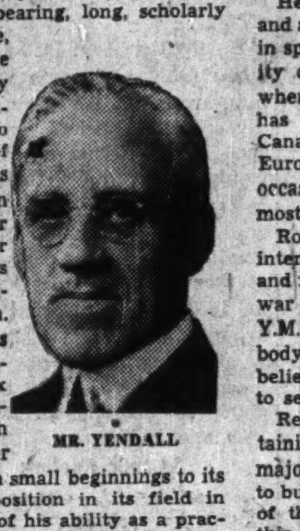
Gardner's banking career was interrupted by the war. In July, 1915, he was commissioned as a lieutenant with the 79th Cameron Highlanders of Canada. The next year he was in France with the 43rd Battalion of the Cameron Highlanders. In the fall he was severely wounded and did not rejoin his unit until May, 1917. Again he was severely wounded and for a year was out of action. Back he went in October, 1918, with the rank of major and second in command of the Battalion. For his work in 1917 he was awarded the Military Cross.

When the war was over Gardner came back to Montreal, where he entered the head office of the Bank of Montreal. Then followed a series of posts: manager at St. John's, Nfld.; Saint John, N.B.; superintendent of Foreign Offices, Montreal; agent of the Bank of Montreal at New York; and then in 1935 assistant general manager of the Bank, with headquarters in Montreal.

Since his return to Montreal, Mr. Gardner has taken an increasing interest in civic affairs. He has been actively identified with the Canadian War Services Fund, Federated Charities and other organizations. His work with those institutions clearly showed his ability to take hold of a task and carry it through to completion. While he has the traditional reserve of a banker, Mr. Gardner also has a sense of humor and an ability to work with people which will stand him in good stead in his new post.

An Articulate Businessman

William R. Yendall is a man who would catch the eye in any gathering. His trim, erect bearing, long, scholarly face, keen eye, gleaming white hair and carefully trimmed moustache combine to give him an air of distinction. Nor is this distinction merely a matter of appearance, for Mr. Yendall is a highly articulate businessman.



MR. YENDALL

His record as president of Richards-Wilcox Canadian Company Ltd., which has grown under his direction from small beginnings to its present strong position in its field in Canada, is proof of his ability as a practical business executive. His book, "The Common Problem," just published by the Ryerson Press, Toronto, shows that he is interested in the theory of business as well, and can explain it logically and graphically.

Mr. Yendall comes of Devonshire stock. His father, whose name also was William Robert Yendall, migrated to the United States. He married Emma Freeman of Old London. Their son was born in Detroit in 1873. He was educated in the schools of that city, graduating from the Detroit High School and the Detroit Business University. He became an expert shorthand writer and for the first four years of his business career he was a stenographer.

In those days most stenographers were young men and Mr. Yendall is convinced it is a good type of training. In his opinion shorthand should be taught generally in the schools to eliminate the painful drudgery of longhand.

For 22 years Mr. Yendall was engaged in the stove manufacturing business, first in Detroit, then in Chicago and Aurora, Illinois. In 1913 he decided to strike out for himself and, with the assistance of some friends he organized Richards-Wilcox Canadian Company Ltd. in London, Ontario, for the manufacture of door hardware.

Under his guiding hand this enterprise has expanded greatly. With the advent of automobiles and trucks new types of door construction were needed and Richards-Wilcox developed these, as well as cranes and other equipment. Mr. Yendall now proudly declares that his concern has contributed more to "door art" than any other organization on the continent.

Although the plant has some foreign connections it is distinctly Canadian, having developed its products largely to meet specifically Canadian conditions. It has grown up with the country, sharing with Canada some sharp ups and downs, but emerging stronger and sturdier from each trial. Throughout the years relations between the company and its employees have been uniformly happy and mutually satisfactory.

As might be judged from his book Mr. Yendall is an optimist. He does not anticipate a post-war slump, but believes that prospects for Canadian businessmen in the years after the war will be brighter than ever. He feels that the improvement in machinery and increase in skill of Canadian workers, together with improved management methods learned during the present emergency, will enable Canadians to hold their own with competitors anywhere in the world.

Ever since he was a boy Mr. Yendall has been interested in religious activities and Y.M.C.A. work. He has been superintendent of three Sunday Schools. Originally a staunch Methodist he is now an active member of Metropolitan United Church in London. He is also an honorary president of the local Y.M.C.A.

He gives reading as his main hobby, and admits that, although he is interested in sports he prefers ones involving activity on his own part rather than those where he is a mere "bleacherite." He has travelled extensively, not only in Canada and the United States, but in Europe, which he has visited on three occasions, and where he is familiar with most of the major countries.

Rotary is one of Mr. Yendall's active interests. He is a past district governor, and feels Rotary should emerge from the war along with the Red Cross and the Y.M.C.A. as a surviving international body of strong standing. He is a firm believer that business exists primarily to serve the community.

Responsibility of business for maintaining employment is another of his major interests. He believes that it is up to business leaders to organize the people of the nation for production, and that this organization should be local as well as national in scope. Strong employers' councils in each town are advisable, he feels.

Altogether Mr. Yendall gives one the impression of a man with original and deep convictions based on experience and study, which he is not prepared to discard lightly. The combination of lifelong devotion to religion with wide experience in business has developed in him a practical type of altruism which combines idealism and common sense.

* * *

Farmer Lieutenant-Governor

Montreal's Family Herald and Weekly Star, largest farm newspaper in the Dominion, is proud of the fact that Nova Scotia's new governor general can classify himself a practical farmer. In the current issue the following tribute is paid:

"For the first time in Nova Scotia's history a citizen has been called from active farm life to accept the post of Lieutenant Governor. Of the 19 incumbents to date of that office, the highest in the gift of this province, there have been men of high military rank, parliamentarians, industrialists, merchants, jurists, financiers, one commerecial traveller, but never until the selection of Dr. Henry Ernest Kendall of Curry's Corner, Hants Co., has there been chosen one who is a practical, full-time farmer of many years' standing. The selection has been approved by many farmers who see in it not only a well-merited tribute to the appointee but also a tribute to the farming industry.

"Twenty-three years ago, at the conclusion of a brilliant medical and military career, Dr. Kendall purchased a large farm in Hants County, which throughout the intervening years has been home to him in every sense of the word. Being always progressive he has made many improvements in the place. Today it is a farm property of which any man might well be proud.

"The doctor has been especially interested in dairying and horticulture. On his farm is a purebred Guernsey herd which he takes a delight in exhibiting each year at the county exhibition. His interest in horticulture has been recognized by his election to the presidency of the Nova Scotia Fruit Growers Association and membership in the Apple Maggott Control Board. He has been actively associated with the Windsor Agricultural Society, the Windsor Co-operative Store, and is secretary of the Curry's Corner Fruit Company.

"Public recognition of the doctor's services to agriculture was given in 1935 when the rank of 'Honor Farmer' was conferred on him—an award for outstanding public service and leadership in promoting the interest of agriculture."

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Other People's Views . . . .

The Canadian Editorial of the Week

The Editor as Critic

Ottawa Journal

Mr. Arthur Ford, editor of the London Free Press, said in a speech in his home town that Canadian newspapers are in the position of "almost having to take the place of a parliamentary opposition;" that the press, in other words, must do what a weak Opposition in Parliament is incapable of doing

There is much truth in Mr. Ford's statement, but the usefulness of the newspapers by no means is restricted to the Opposition. Wise cabinet ministers and even prime ministers watch the press for useful suggestions, are willing to take sound guidance from any quarter. They do not any more expect slavish support from newspapers of their own general way of thinking, but no more do they expect nothing but destructive criticism and incessant fault-finding from the Opposition press.

There is, of course, nothing surprising in this situation. Newspaper editors and writers are trained observers of public affairs, see governments come and go, statesmen arise and disappear. Many of them have given far more thought to problems of the State than have most members of Parliament, or even cabinet ministers. They are more closely in touch with public opinion, through their reporters, their news columns and their correspondents, than are most politicians. And they are, also, more disinterested than the average politician because less concerned with party advantage.

* * *

The Mail-box . .

Commissions and Universities

Editor, The Financial Post:

In your recent issue there is considerable space given to the question of the college student and military service.

I believe the average college student is just as anxious as the average young Canadian who does not attend college to do his part in the war service. However, the part that I have never been able to understand is why three or even four years in university should entitle every young man who has been fortunate enough to have had that opportunity, to receive a commission.

A case in point has occurred in this town during the past year. Two boys graduated from our high school some four years ago. One went into business in a large financial institution and was sent some six hundred miles from home on a small salary to be trained for his work, while the other boy entered university to take a law course. The law student upon graduation, received a commission as a sub-lieutenant in the Royal Canadian Navy before he had ever seen the inside of a naval vessel (or perhaps the outside of one) and then left to take his training.

The other boy, after four years in the business world, in which, by the way, he advanced rapidly and was filling an important position when he enlisted in the R.C.A.F. as a pilot. He received his pilot's "wings" in the remarkably short time of seven months after a training course in which his record was perfect and entirely without accident or mishap of any kind and graduated near the top of his class. But the best he got was "Sergeant-Pilot" although some men in the class whose marks and training record were lower than his, received commissions at graduation.

A man has brains and ability even though he hasn't attended university, and surely university students are not all possessed of that peculiar ability which enables them to command and lead men.

J. R. LINTON.
Essex, Ont.

* * *

The Gordon Articles

Editor, The Financial Post:

Perhaps you would like to know that I have read with a great deal of interest, the articles which have been appearing in The Financial Post, "Are You Paying Too Little or Too Much," by Molyneux L. Gordon.

W. Y. DENISON,
Ottawa.

Sayings of the Week

"The years of ill-equipped, almost miraculous defense are behind us. Everywhere the United Nations turn to attack."—*Prime Minister Churchill.*

* * *

"If this alliance (the United Nations) falls apart the end of this war will mark the beginning of the preparations for the next war." — *Walter Lippman, U. S. columnist, at the Montreal Canadian Club.*

* * *

"In our (Canada's) role of interpreter between the United States and Britain, we would be far more useful in the times that lie ahead, than as a mere satellite of the country to the South."—*John McCormac, New York Times Correspondent, speaking in Montreal.*

* * *

"Pearl Harbor must be set down as a strategic axis failure. It served neither to drive American power out of the western Pacific nor prevent effective and formidable American action in the European war theatre."—*Kirke L. Simpson, U. S. war commentator.*

* * *

Stop Me If . . .

Dear Old Lady: "And what rank do you hold, my man?"

Bored Sailor: "Ship's optician. I scrape the eyes out of the potatoes."

As Others See Us . . .

Conservative Convention

Brantford Expositor

The Conservative convention will be one of high importance in the Dominion's affairs. The country stands badly in need of a vigorous and imaginative Conservative Party. Such an organization, revivified—stream-lined if you will—could make tremendous contribution to this country's welfare. It is to be hoped, therefore, that the Party will emerge refurbished and energized.

It is equally clear that, in order to succeed, the convention will have to arouse the interest and inspire the confidence of Canadians everywhere. It follows, as The Financial Post asserted the other day, that "the old performance won't be good enough."

* * *

Is Government Sacrificing?

Sault Ste. Marie Star

"Is the government sacrificing too?" is the very pertinent question asked by The Financial Post in discussing the problems of selective service and concentration of industry.

The question raised by The Post is one which many are asking these days and while The Post looks at the matter from the point of view of industry, it is important to individuals as well.

There is no question but that the great majority of those in government service are pulling their load. But with individuals and industry generally being asked to make sacrifices to assure an efficient distribution of manpower, this question asked in the Toronto financial paper is worth pondering.

* * *

Income Tax Education

Swift Current Sun

This should be a banner year for spreading the gospel that tax on income is the most equitable tax that can be imposed and also the cheapest to collect, according to The Financial Post, which claims the best way to build a sound citizenship is to have citizens make a direct annual contribution out of their earnings to national needs; no better way to encourage wise and discriminating use of the ballot.

It is apparent that this year more Canadians than ever will be obliged to participate actively in one of the basic duties of citizenship, but to get the cooperation and compliance of these new thousands will certainly be a major task.

The Week in Business

Last week continued rise in the cost of living, as indicated by the Dominion Bureau of Statistics index, brought a threat of a further cost-of-living bonus and perhaps another step toward the long feared "inflation spiral." Action by Mr. Ilsley followed.

There was also evidence of a continued although modest gain in physical volume of business in Canada, reflecting the influence of a considerable advance in manufacturing activities and most evident in iron and steel, tobacco, meat-packing and newsprint. The latest gains are small compared with those noted only a few months ago, suggesting a definite slackening of the rate of increase.

Carloadings for the week ended Nov. 28 rose from 70,260 cars to 71,288, reversing the normal seasonal downward trend. For the first 48 weeks of 1942 all commodity groups, except grain and coke, show gains with the total up 5.8%.

Iron and steel output in October was far above the same month of 1941 at 175,424 tons against 153,568 tons for pig iron and 271,127 tons compared with 249,595 tons for steel. For the first 10 months this year there is a gain of about 430,000 tons, or 35,8%, for pig iron, and one of 370,000 tons, or 16.7% for steel.

Flour output in October was up about 245,000 bbls. from the same month last year but for the first 10 months a drop of about 500,000 bbls. or 2.9%, is reported.

Cattle sales were higher in November but **hog** sales were down. For the first 11 months, however, the former shows a decline of 5.3% while the latter is up 1.5% in number of head marketed.

Coal production in Canada in October was down over 300,000 tons, a decline which has not quite overcome earlier gains, leaving the first 10 months' total production up 6.2%. The downward trend has precipitated a crisis with demand still rising.

Electric power output at central electric stations continues to rise. Figures for October add to the cumulative gains for the year, bringing the total 13.5% higher than a year ago.

	Nov.	Oct.	Sept.	Aug.	Year Ago
Physical vol. of business, D.B.S.*	....	207.2	206.1	198.5	178.7
National Income, D.B.S.•	....	....	646.2	634.2	600.3
Net Income Index (1935-39=100)	....	....	190.1	186.5	176.6
Dom. war expend. (million $)	....	175.9	207.3	173.4	110.8
Dom. total revenue (do.)	....	203.9	162.4	164.2	104.8
Dom. total expend. (do.)	....	357.4	318.9	301.3	165.4
Retail sales index no.	....	....	152.0	162.9	136.4
Dept. store sales index no.	....	153.1	152.7	154.5	136.5
Wholesale sales index no.	....	....	177.7	157.4	171.2
Country store (% change pr. yr.)	....	+16.7	+12.6	+10.0	+8.1
Divd. payment index♦	123.1	123.3	123.5	123.5	119.3
Bank deposits (1926=100)	....	....	170.1	163.0	157.6
Cash and cheque pay. index	....	161.3	139.7	138.6	139.7
Bank debits (1935-39+100)	....	135.7	134.5	136.0	120.8
Money supply (c)	....	4,120	3,927	3,772	3,503
NEWSPRINT % OF CAPACITY—					
Production ratio	....	70.6	72.4	68.4	84.1
Shipment raalo	....	76.9	82.1	69.0	80.3
RAILWAY FREIGHT LOADINGS—					
Tons	....	134.5	132.3	163.0	124.1
Cars	....	124.6	117.4	129.6	120.6
COST OF LIVING—					
D.B.S. index	118.6	117.8	117.4	117.7	116.3
EMPLOYMENT INDEX Nos. D.B.S.—					
All industries	....	....	179.3	177.8	162.7
Manufacturing	....	....	215.6	212.4	181.4
Payroll (June 1/41=100) (b)	....	....	135.4	131.8	109.8
Payroll index (a) (1937+100)	....	....	....	201	173
			Jan. 1 to date		%
RAILWAYS—	1942	1941	1942	1941	Change
Carloadings (week Nov. 28)	71,288	69,097	3,127,716	2,953,138	+5.8
C.P.R. gross (week Nov. 30)	$ 7,188,000	5,848,000	233,340,000	200,243,000	+16.5
C.N.R. gross rev. ... (Oct.)	$ 36,002,000	28,760,510	306,829,000	249,072,521	+23.1
C.N.R. net rev. .... (Oct.)	$ 8,903,388	6,038,729	71,664,362	54,628,055	+31.1
C.P.R. gross rev. ... (Oct.)	$ 22,799,232	21,576,652	209,925,848	180,034,146	+16.5
C.P.R. net rev. .... (Oct.)	$ 5,718,132	5,937,888	37,723,925	35,665,559	+5.7
IRON AND STEEL—(October)—					
Pig iron production (tons)	175,424	153,568	1,640,055	1,212,089	+35.3
Steel production ... (tons)	271,127	249,595	2,580,715	2,208,538	+16.7
CONSTRUCTION—					
Contracts awarded (Nov.)	$ 22,085,000	22,889,500	271,985,200	374,881,400	—27.5
Building permits ... (Oct.)	$ 8,188,606	13,137,206	89,385,894	115,180,930	—22.3
Cement prod., bbls. (Sept.)	1,094,838	1,008,741	7,044,327	6,281,340	+12.1
AGRICULTURE—					
Flour prod., bbls. .. (Oct.)	1,851,062	1,595,931	16,724,160	17,229,463	—2.9
Cattle sales▲ .... (Nov.)	150,695	131,067	1,063,884	1,123,504	—5.3
Hog sales▲ .... (Nov.)	612,310	686,666	5,505,879	5,420,030	+1.5
SEA FISHERIES—‡					
Catch, cwts. .... (Sept.)	1,442,100	1,343,500	8,296,100	8,501,200	—1.2
Landed value ...... (Sept.)	$ 6,557,900	3,156,000	25,834,100	20,762,500	+24.4
NEWSPRINT—					
Production, tons ... (Oct.)	271,555	318,787	2,661,764	2,824,734	—5.0
Exports, tons ..... (Oct.)	277,925	285,893	2,541,104	2,652,623	—4.2
MINING AND OILS—					
Coal prod., tons .... (Oct.)	1,588,595	1,903,605	15,485,837	14,583,021	+6.2
Gold rec., fine oz. . (Sept.)	382,880	397,662	3,547,871	3,820,603	—7.2
Petroleum prod., brl. (Sep.)	826,866	878,782	7,806,046	7,499,477	+4.0
ELECTRIC POWER OUTPUT—(October)—					
Total monthly, 1,000 kw.h.'s	3,166,186	3,140,317	30,680,557	27,040,578	+13.5
OTHER INDUSTRIAL FACTORS—					
Shoes. prod., pr. ... (Sept.)	2,807,754	3,027,252	24,672,220	23,833,552	+3.5
Cotton consump., lb. (Oct.)	16,542,759	18,341,242	163,829,467	165,591,120	—1.0
Cigarette cons., No.† (Oct.)	1,010,451	844,292	8,232,279	7,107,784	+15.8
FINANCE—					
Bank debits† .... (Oct.)	$ 4,073,391	3,627,177	36,365,083	32,129,505	+13.2
Bond sales† ... ... (Oct.)	$ 270,453	341,700	3,109,132	2,172,786	+43.1
Life insurance sales . (Oct.)	$ 57,795,000	41,740,000	437,204,000	336,759,000	+29.8

*D.B.S. All Canada figure covering 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▲Total at yards and plants. †000 omitted. •Millions of dollars.
♦Supplied by Nesbitt, Thomson & Co. °1935-39=100. (c) 000,000's omitted.
(a) Compiled by Canadian Bank of Commerce. (b) All industries.

War Changes the Output Index

Dominion Bureau Alters a Major Economic Yardstick

Index of physical volume of business compiled by the Dominion Bureau of Statistics covers all phases of Canada's economic and business life. It includes mining, manufacturing, construction, electric power and distribution, subdivided into some 75 different classifications.

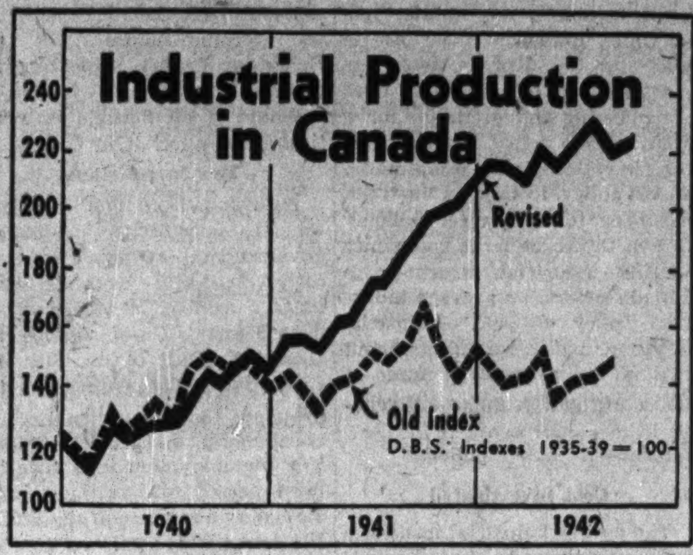
In September this year the D.B.S. announced a revision of this index. Some items were dropped and some new ones added, but by far the greater portion of the change is due to the revised "weighting" given to various classifications. The revised index has been carried back to the beginning of 1940, when it ties in to the old index.

This weighting is a scientific attempt to place emphasis on the individual classifications in proportion to their actual importance in the economy as a whole.

War Hastens Changes

That the war has forced many changes, altering the relative importance of various phases of our activities has become more and more evident. This fact convinced the D.B.S. that its index of physical volume of business and its various main subdivisions did not truly portray the productive power of the country.

Changes were made in the make-up of the index which, it is felt, will make it a more accurate indicator of actual business activity. That these changes made a big difference is proved by the accompanying chart which shows the old index of industrial production, main subdivision of the physical volume index, compared with the revised index.



Not until the beginning of 1941 did the war begin to have a dominant influence on Canada's industrial production. The Dominion Bureau of Statistics index, shown above, has been revised to give proper weight to this condition.

All sections of the index show changes. Mining, for example, used to have a weight of 10.2; but this is now reduced to 7.58. Gold production goes down from 3.9 to 1.96. Silver, nickel, copper, lead and zinc are also relegated to lesser positions. On the other hand, bauxite imports have been boosted more than 13 times; asbestos is up 2½ times. Natural gas, gypsum, salt, cement and lime are included for the first time.

Manufacturing Emphasized

Manufacturing takes up all the reductions coming from the other major sections of the index, now having a weight of 52.28 instead of 44.8 formerly. Crop and animal products take a smaller position as a whole, although there is a moderate rise in weight allotted to hog slaughterings, cheese output and salmon exports.

The old index included crude rubber imports and production of pneumatic casings; the new one has in their place employment in the rubber industry, given a slightly less weight.

Textiles and wood and paper are both given considerably reduced weights.

Iron and steel groups, on the other hand, are regarded as having considerably increased their importance in our economy since the war started. Outstanding is a new classification given to land vehicles and aircraft, substantially higher than the old groups of land vehicles and automobile production. Shipbuilding has been boosted more than 10 times and foundry output more than twice.

Other manufacturing groups also show gains, the outstanding change being inclusion of a new classification for employment in chemicals which receives a weight of 5.41.

Construction almost holds its own as does electric power. The factors covering distribution are lowered, being granted a revised weight of 32.52 instead of the old one of 35.7. Exports have been raised from 1.9 to 3.0, while imports are lowered slightly.

Canadian Retail Sales May be $3.5 Billions

Taxes, Compulsory Savings, Other Pressures, Fail to Prevent Buying From Reaching New High Levels

By STAFF WRITER

OTTAWA.—It is expected here that retail sales in Canada in 1942 will soar to the unprecedented figure of $3.5 billions.

With an "inventory" buying by housewives and others, who think they had better buy this or that "while they can," retail sales have been skyrocketing month after month at an extraordinary, and in many respects an alarming, rate.

Taxation, saving and other fiscal pressures seem to have little influence on the nation's spending. Sales just keep rising just the same.

Retail sales are 15% higher than at this time last year.

If the national total for the year hits the $3.5 billions mark it will be nearly 38% higher than the 52.4 billions figure of the last pre-war year, 1939.

Where is the buying heaviest? Percentage figures for September, as published by the Dominion Bureau of Statistics, tell the story. The biggest increase is in women's clothing—up 26% from Sept., 1941. Boot and shoe stores are a close second—up 25%; sales of men's clothing are up 19.8%. The only decreases are furniture stores, down 7.5%; radio and electrical outlets, down 14%, and jewellery outlets, down 13%. In the Maritimes, jewellery sales are higher by 10.8%. Department store sales were higher by 10.8% in September compared with a year ago.

Dairy Processors Get New Ratings

Processors of dairy products have been assigned higher preference ratings for equipment and repair material, according to an announcement at Washington by the War Production Board. In addition, certain classes of egg processors are included for the first time under P-118, the preference rating order covering dairy processors.

Chamber of Mines Re-elects President

From Our Own Correspondent

WINNIPEG—H. A. Mackay, Winnipeg, has been re-elected president of the Manitoba Chamber of Mines for a third term. Also re-elected were F. V. Seibert, vice-president, and F. J. Manning, honorary treasurer. J. P. deWet, the secretary, was reappointed.

Hon. J. S. McDiarmid, Minister of Mines and Resources, is honorary president, and honorary vice-presidents are Mayor Garnet Coulter of Winnipeg and W. A. Green, general manager of Hudson Bay Mining & Smelting Co.

Few Changes Expected In Postwar Automobile

Demand Will be for Small, Economical Cars, Quick Production of Which Will Allow No Revolutionary Designs, Some Engineers Say

No drastic changes in styles of passenger cars made in the immediate postwar days are expected by engineers in the industry, according to Canadian Automotive Trade.

This journal reports that there is little question but that every car manufacturer has a car already in blueprint stage incorporating all or many of the improvements made possible by research in recent years, but whether or not these may be brought into production soon after the war depends upon many factors.

Probably the most important of these is how long the war may last and how pressing may become the need for steel. In the past, because of enormous investment in body or sheet metal dies, special machine tools and expensive fixtures, drastic changes have been comparatively few, but if it should come to the point where machines and fixtures now idle are consigned to the scrap pile in the national interest, the picture would change.

Small Car Demand

Canadian Automotive Trade sees that the need for greater economy after the war will create a demand for smaller, lighter, more efficient cars, which will probably appear about a year and a half after production starts. However, the first consideration will be to furnish new automobiles to replace those worn out during the war period and so to stimulate re-employment. Briefly, the first automobiles to be built after the war will not be very much different from those sold in 1941 or 1942, except, perhaps, for some minor style changes.

Open Question

There has been a good deal of talk about the possibility of rear-engined cars and plywood, plastic or aluminum bodies. Some engineers assert that such a drastic transfer of weight as placing the engine at the rear, would affect handling of the car, while others contend that reduction in weight of the engine by greater use of lightweight metals, such as aluminum or magnesium, coupled with greater power output, made possible by the use of higher octane fuels and suitably re-designed engines, would counteract this tendency.

The use of plastics or plywood for the larger body panels appears to be ruled out on the basis of cost, according to this summary, while the substitution of aluminum for steel or cast iron either in the body or more extensive application elsewhere, is seen as equally impractical, notwithstanding the tremendous increase in aluminum production during the war. The only major change which seems to be likely in the postwar cars is some form of automatic or semi-automatic transmission in all models, except perhaps the very lowest priced, and also a fluid coupling or clutch. Improved braking and additional safety features will likely be incorporated.

On the Record

Emergency Coal Production Board formed with Coal Administrator **J. McG. Stewart**, chairman. Other members **Charles Payne**, secretary of Local 2665 of United Mine Workers of America, Mountain Park, Alta., and **Graham Towers**, governor of Bank of Canada.

C. L. M. Douglas, economist on loan from Bank of Montreal, appointed senior assistant to **A. F. W. Plumptre**, special representative of Wartime Prices and Trade Board in Washington.

Robert Berry, Montreal, appointed deputy administrator of chemicals under **E. T. Sterne.**

Charles A. McKenna appointed director of dental supplies for W.P.T.B.

P. A. Alain, Quebec, and **B. G. Tritt**, Toronto, named directors in fur skins and fur garments administration.

Arthur M. Irvine, Stanstead, Que., named assistant in newsprint administration.

Crown company employees given right to bargain collectively through recognized trade unions.

Finance Minister Ilsley announces reduction in retail price of tea by 10 cents a pound, coffee by four cents a pound, milk by two cents a quart and oranges to about the level of September-October, 1941.

Harry Hereford, Ottawa, named executive assistant to **Arthur MacNamara**, associate Deputy Minister of Labor and acting director of National Selective Service.

Dr. Ross Miller, director of Medical Services for the Dept. of Pensions and National Health, appointed medical assistant to **Dr. R. E. Wodehouse**, Deputy Minister, Dr. Millar's former position filled by **Dr. T. D. Bain**, Toronto.

House Magazine Men Form Organization

George Fletcher, of General Motors of Canada Ltd., has been elected president of the recently formed Canadian Association of Personnel Publication Editors. Other officers are R. Warren, of John Inglis Co., vice-president; and the following directors, G. J. Rogers, Canadian General Electric Co. and T. Gilchrist, Defence Industries Ltd.

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"If we hadn't had a son, Bob," she said, thoughtfully....

They saw him off at the station with hundreds of other boys, leaving for somewhere overseas. On the way home, Mary was very quiet. "It's hard for a mother," Bob thought, wondering if she would break down when they reached the house.

But she didn't. She went straight to the new picture they had of Jack in his uniform and picked it up. "If we hadn't had a son, Bob," she said, thoughtfully, "I guess we'd be feeling sort of helpless, wouldn't we? Sitting around, letting other people protect us. But now, every time I look at his picture, I'm going to feel so proud that Jack is doing his share."

"Yes, Mary, and we'll back him up every way we can. We're buying War Savings Certificates right along, and we both have Victory Bonds. We all have a share in each other's protection."

☆ ☆ ☆

IT'S the shared effort of the many that provides protection for all. There is no security for a nation unless people work and fight and save together. It's the togetherness that counts.

The story of life insurance is a story of togetherness in which you and four million other Canadians have pooled your savings—individually, for the protection of yourselves and your families; collectively, for the welfare of your country.

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A Montreal Curb Market seat sold this week for $2,000, an increase of $500 over the previous sale. The advance directly reflects the better trading conditions which have been noticeable since the middle of October.

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Insurance Views the Beveridge Report

Position of Industrial Business In Canada and Britain Differs Widely

By DONALD G. MACLEAN

While nationalization of industrial insurance proposed by Sir William Beveridge may be necessary and feasible in Great Britain; it is believed neither desirable nor practicable in Canada, because of the differences in the nature of industrial insurance here and because of the legislative difficulties.

In both countries, industrial insurance differs from ordinary life insurance principally in that industrial policies are for small sums of money and the weekly or monthly premiums are usually collected at the door of the policyholder. It is carried chiefly by industrial wage earners and their families; in some cases premiums are as low as five cents a week. However, in other respects, industrial insurance in Canada is very different from industrial insurance in Great Britain.

Figures Compared

In Canada the total volume of industrial insurance in force is about $1 billion, or 14% of the total life insurance in force of about $7 billions. In Great Britain, according to the latest figures available, it is about £1.2 billion or 40% of the total life insurance in force of £3.2 billions.

In Canada there are approximately four million industrial policies in force, or about one policy to every three people. In Great Britain, according to the Beveridge report, there are 103 million industrial policies in force or more than two policies to every individual. Thus there are six times as many industrial policies in force in Great Britain per capita as in Canada.

In Canada the average industrial policy is about $250; in Great Britain about $85.

Like Ordinary Insurance

In Great Britain industrial insurance is usually regarded as burial insurance; in Canada it is looked on and used just like ordinary insurance.

In Canada, about 3,000 agents are employed in selling and servicing industrial policies. In Great Britain, Sir William Beveridge estimates the number of industrial agents at 65,000.

In Canada five Dominion licensed companies and one provincial licensed company write industrial insurance; three of these companies write 97% of the total industrial business. Two of these three companies are United States companies. In the United Kingdom, 15 companies and 151 collecting societies write industrial insurance, eight companies writing 90% of the business.

In Great Britain

Administrative costs of industrial insurance in Great Britain are placed by the Beveridge report at 40% of the premiums. While there may be some question as to the accuracy of this figure, the administrative costs of industrial insurance are inevitably higher than in ordinary insurance. Chief reason is the smaller lots in which industrial insurance is sold and the door to door service in collecting premiums. Cost of collecting the premium for a $250 or $500 policy is no greater than in collecting the premium on an $80 policy. In Canada the trend has been toward larger policies. One of the three large companies writing industrial insurance in Canada reports an average industrial policy of $462. Industrial insurance which represents about 14% of the insurance in force in Canada offers an important service to the small saver. It is also a threshold to larger policies.

Cost Investigated

The cost of industrial insurance on this continent has been investigated on numerous occasions by government agencies. In a recent investigation, for instance, by the New York State Insurance Department, industrial insurance was given a clean bill of health. The New York investigation showed the cost to be possibly 14% to 15% of the industrial gross premium higher than that of ordinary insurance which investigators thought satisfactory.

From the foregoing, it is apparent that when Sir William Beveridge recommends the nationalization of industrial insurance in Great Britain he is dealing with entirely different conditions from those which prevail in Canada.

So much for the necessity or advisability of Canada considering the recommendations of the Beveridge report respecting industrial insurance.

Would it be feasible or practicable to follow it in Canada?

Ten Jurisdictions

With ten Dominion and provincial jurisdictions, Canada's governmental structure is basically dissimilar from Britain's unitary system. As recently as last October, Chief Justice Sir Lyman P. Duff of the Supreme Court of Canada reiterated the principle that insurance lies exclusively in the provincial field. Yet unemployment insurance has been passed to Dominion jurisdiction by a revision of the British North America Act. As matters stand if a Beveridge report for Canada were in prospect, that part dealing with unemployment could be handled by the Dominion but other parts dealing with other forms of insurance such as health and industrial insurance would have to be dealt with by the provinces, quite possibly nine different systems, unless and until the B.N.A. Act were further amended.

The prospect of the nine provinces agreeing to surrender sufficient jurisdiction to the Dominion to enable it to nationalize industrial insurance in Canada is held by the life insurance business to be remote.

Grain Insured By War Risk

Blanket Plan Covers All Grain in Commercial Positions

By STAFF WRITER

OTTAWA. — Blanket insurance coverage of all grain in commercial positions in Canada and on all grain flowing into terminal positions in the future has been arranged by the government. The scheme has been worked out as part of the war risk coverage previously arranged on commercial and resident properties.

Highlights of the plan follow:

1. The levy applies to all grain now in commercial position (i.e., licensed elevators, flour mills, etc.);
2. Rates range from 75 cents per 1,000 bushels for oats, $1 per 1,000 bushels for barley and rye, $1.50 for wheat and $2.50 for flax;
3. As at Nov. 30, there will be a levy at the above rates on all grain flowing into commercial positions from now until the end of the war;
4. Levies will be collected by the Board of Grain Commissioners at funnel or terminal points (i.e., Great Lakes Terminals, Churchill, Vancouver, Prince Rupert, etc.).

Estimated cost of the initial levy is placed at $275,000 to $300,000. Estimated cost of the annual levy on the basis of the amount of grain which it is believed will flow into commercial positions in the first year of operation is $475,000 to $500,000.

St. Lawrence Corp.'s declaration of a special dividend of 50 cents a share on the A preferred, in addition to the quarterly dividend of 25 cents, brings total distribution for 1942 to $1.50 a share, as against $2 for 1941. Arrears at the end of 1942 will total $16 a share.

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Today's Bonds Are Worth More

Corporation Bonds Enjoy Higher Equity and Rate of Interest Coverage

Buyers of Canadian corporation bonds today are getting more for their money than before the war. A tabulation of representative companies across four war important industries, textiles, utilities, iron and steel and pulp and paper, compiled by The Financial Post shows some trends heartening to the corporate bond investor.

While heavy taxes have piled up to narrow margins of dividend coverages and, in some cases, have forced dividend reductions, bond investors have seen their interest requirements covered by an increasingly satisfactory margin. In the accompanying table there are only two companies to show a lower margin of interest coverage in 1941 than in 1939. Of these two, Dominion Coal's performance is explained by lower earnings arising from a labor slowdown; Canada Northern Power's small decline was partially attributable to loss of two important mine contracts.

Cut Funded Debt

One of the most striking points about this tabulation of representative Canadian corporation bonds is the steady reduction being made in the funded debt outstanding by many of the companies. In total, this reduction would bulk into many millions of dollars over the past three years. Despite the exigencies of operating under wartime conditions many companies have been able to make substantial inroads on their debt.

Another reflection of this stronger position is found in the equity available for each bond. In this column is the concrete evidence for each $1,000 bond that there is a greater value backing it today than before the war. Improvement in equities from 15 to 20% over the three year period are commonplace.

Thus in three directions has the corporate bond investor fared well during a period when investment problems were more than usually numerous. During this period when the return on many types of investment has been seriously endangered, the corporation bond buyer has seen his interest return placed in an even safer position. When working capital requirements to meet expanding wartime business have often forced shareholders to take an even more junior position, bondholders have seen their prior ranking security being redeemed at full value and the remainder of the bonded indebtedness benefitting from this strengthening of the debt position. At the same time the underlying value, as represented by the equity available for each bond, has been generally very appreciably strengthened.

Wartime Check-list For a Corporation Bond Buyer

		Total Funded Debt Outstanding in 000's $	Times Bond Interest Covered Before Deprec.	Times Bond Interest Covered After Deprec.	Equity per $1,000 Bond $
TEXTILES					
Bruck Silk 6½%, Nov. 1, 1945	1941	392.9	26.27	17.59	4,903
	1940	408.5	8.18	4.51	4,085
	1939	410.5	4.14	2.39	3,918
Dominion Textiles 2¾%, Serial, Sept. 1, 1942-49 3½%, Sept. 1, 1959	1941	4,200	80.95	66.64	7,118
	1940	4,300	56.53	43.05	6,914
	1939	4,400	29.55	19.17	6,809
Dominion Woollens 6%, July 1, 1953	1941	986.4	11.48	8.22	3,511
	1940	1,023.5	13.61	9.72	3,251
	1939	1,058.5	5.94	3.42	2,996
Hamilton Cottons 3%, Serial, Aug. 1, 1942-43 4¼%, Aug. 1, 1950	1941	977	18.21	13.01	2,820
	1940	977	19.75	12.08	1,660
	1939	1,095	6.38	3.86	2,533
Mercury Mills 5%, Nov. 1, 1959 5%, Serial, Feb. 1, 1941-1948	1941	891	9.04	5.45	2,730
	1940	921	8.33	4.95	2,577
	1939	1,335	3.89	2.62	2,031
Wabasso Cotton 4%, Serial, Feb. 1, 1943-48 4½%, Feb. 1, 1951	1941	1,875	31.81	25.84	3,406
	1940	2,050	21.97	17.26	2,966
	1939	2,225	16.14	11.46	2,647
UTILITIES					
Bell Telephone 5%, June 1, 1957 5%, May 1, 1960 3¼%, Aug. 1, 1964 2¾%, Notes, Aug. 1, 1947	1941	62,500	8.40	5.61	2,759
	1940	65,500	6.59	4.17	2,710
	1939	62,500	4.98	2.99	2,619
Calgary Power 5%, Apr. 1, 1960 5%, June 1, 1964	1941	11,652.5	2.91	2.09	1,731
	1940	11,550.5	2.62	1.99	1,737
	1939	11,704	2.59	2.11	1,720
Canada Northern Power 5%, May 1, 1953	1941	14,304.5	3.65	2.69	1,711
	1940	14,565.5	3.42	2.53	1,699
	1939	14,832	3.77	2.86	1,700
Gatineau Power 3¾%, Series "A" and "B," April 1, 1969 *Including charges on junior funded debt	1941	62,500	2.31*	1.98	1,824
	1940	62,500	2.27*	1.93	1,835
	1939	62,500	2.08*	1.76	1,858
Junior Funded Debt 5% Debents., June 1, 1943 3.65% promissory notes, 1943-49 5% Property purchase obligation, 1943-62 4¼%, Serial, June 1, 1943	1941	14,633.5			3,535
	1940	16,141.6			3,287
	1939	17,849.7			3,033
Montreal Power 3½%, Feb. 1, 1956 3½%, May 15, 1960 3½%, Jan. 1, 1963 4%, July 1, 1969 3½%, Jan. 1, 1973	1941	89,438.5	5.14	3.70	2,830.5
	1940	90,498.5	4.40	3.42	2,792
	1939	81,465.1	4.57	3.67	3,060
Junior Funded Debt Convert. Notes 2¾%, July 1, 1944 3%, July 1, 1949	1941	19,910.2	...	...	6,392
	1940	19,910.2	...	...	6,354
	1939	19,910.2	...	...	6,368
Power Corporation 5%, Dec. 1, 1957 4½%, March 1, 1959	1941	9,597.1	...	2.73	1,907
	1940	9,696.5	...	2.76	1,892
	1939	9,766.2	...	3.05	2,067
FOODS					
B. C. Packers 4½%, Serial, Dec. 1, 1942-44 5%, Dec. 1, 1953	1941	850	31.67	24.91	6,540
	1940	900	15.53	9.13	5,984
	1939	950	22.92	17.29	5,425
Burns 5%, July 1, 1958	1941	6,445.3	3.50	1.48	1,538
	1940	6,668.3	1.76	0.77	1,490
	1939	6,668.3	1.63	0.64	1,500
Canadian Canners 4%, May 1, 1951 3%, May 1, 1937-1942	1941	2,600	28.87	24.50	5,749
	1940	2,780	19.75	16.53	5,263
	1939	2,960	21.59	18.52	4,895
Eastern Dairies 6%, May 1, 1949	1941	2,433	3.46	1.62	1,364
	1940	2,433	3.60	1.32	1,382
	1939	2,521.5	2.25	0.94	1,391
National Grocers 4%, Serial, Oct. 1, 1942-1947	1941	600	49.96	44.91	9,917
	1940	700	25.92	22.59	8,334
	1939	800	22.64	19.88	7,197
PULP AND PAPER					
B. C. Pulp & Paper 6%, Nov., 1950	1941	2,795	19.35	14.96	2,930
	1940	3,130.5	12.02	8.60	2,513
	1939	3,130.5	2.13	0.04	2,438
Junior Funded Debt 7%, Gen. Mtge., Nov. 1, 1950	1941	1,223.5	35.93	27.33	4,410
	1940	1,223.5	24.17	16.66	3,871
	1939	1,223.5	2.49	nil	3,496
Great Lakes Paper Co. 5%, Oct. 1, 1955	1941	5,937	6.52	4.45	2,433
	1940	6,000	5.93	4.06	2,375
	1939	6,000	3.47	1.99	2,306
Howard Smith Paper 3½-4%, Serial, Dec. 1, 1941-46 4¼%, Dec. 1, 1951 (and subsid. bonds, Canada Paper Co. 3-3½%, Serial, June 1, 1941-45 and 4¼%, June 4, 1952.)	1941	6,250	21.38	15.91	3,177
	1940	6,625	16.52	12.23	2,959
	1939	7,000	10.51	6.89	2,600
Lake St. John Power & Paper 5%, July 1, 1961	1941	5,421.6	4.01	2.16	2,211
	1940	5,540.1	3.94	2.14	2,164
	1939	5,652.6	2.49	1.57	2,101
Junior Funded Debt 5% Debents., July 1, 1961	1941	3,527.5	5.14	1.99	1,861
	1940	3,527.5	5.14	1.98	1,828
	1939	3,527.5	2.62	1.00	1,765
Price Bros. 3½%, Mar. 1, 1942-3 5%, Mar. 1, 1957	1941	13,500	8.75	5.90	4,196
	1940	14,000	7.80	5.00	4,012
	1939	14,500	4.36	2.10	3,839
Junior Funded Debt 4% 2nd Mtge., Mar. 1, 1957	1941	3,936.5	32.13	20.34	10,965
	1940	3,936.8	29.05	17.08	10,711
	1939	3,936.8	14.61	4.77	10,455
IRON AND STEEL					
Algoma Steel Corp. 3½-4½%, Serial, Nov. 1, 1939-44 5%, Nov. 1, 1948	1941	2,314	22.20	6.72	9,104
	1940	2,514	19.44	13.01	8,336
	1939	2,714	13.85	8.68	7,527
Canadian Locomotive 6%, Jan. 1, 1953	1941	1,044.8	8.14	6.24	2,028
	1940	1,044.8	6.86	5.47	1,814
	1939	1,044.8	nil	nil	1,787
Canadian Vickers 6%, Aug. 1, 1947	1941	2,506.5	25.60	21.27	2,753
	1940	2,506.5	7.76	4.11	2,428
	1939	2,506.5	2.37	1.08	2,145
Dominion Steel and Coal 6¼% inc., Sept. 1, 1955, including subsid.: Seaboard Pwr. Corp. 4%, Serial, Aug. 15, 1941-44 Halifax Shipyds. 4%, Serial, Aug. 15, 1942-49 Canadian Bridge Co., 4½%, Aug. 31, 1952	1941	7,998	11.75	5.23	10,439
	1940	6,778	10.83	5.20	10,041
	1939	6,878	10.61	6.20	9,637
Dominion Coal Co. 3½%, Oct. 1, 1942-43 4½%, Oct. 1, 1952	1941	6,655	nil	nil	4,857
	1940	6,977	5.69	2.51	4,613
	1939	9,772	6.43	3.01	4,230
Massey-Harris Co. 4%, Serial, Mar. 1, 1942-45 4¼%, Mar. 1, 1954 3½%, Serial, Mar. 1, 1941	1941	10,000	10.77	8.26	3,148
	1940	10,500	6.72	4.67	3,071
	1939	11,000	5.31	3.33	3,062

Good Will
TO MEN

AGAIN Christmas finds us at war. Again Christmas recalls the ideals of peace and good will to men. Christmas is always Christmas. Despite the war . . . despite all that has happened or will ever happen, we extend to our friends everywhere the good old Christmas wish, as timely now as always—A Merry Christmas and a Happy New Year!

CHRISTMAS CHEER FOR THE BOYS

If you want to send cash by cable, the bank is the place to arrange it. The service is part of our regular business at all branches: Remittances by cable, telegraph or money order.

IMPERIAL BANK OF CANADA
HEAD OFFICE: TORONTO
BRANCHES THROUGHOUT CANADA

CANADIAN CAR AND FOUNDRY CO., LTD.
TODAY — Over 90% engaged in War Production
TOMORROW — Fully equipped to supply industry with
CANCAR
RAILWAY ROLLING STOCK — MILD AND ALLOY STEEL CASTINGS — RAILWAY SPECIALTIES — MALLEABLE IRON CASTINGS — STEAM AND ELECTRIC RAILWAY TRACK LAYOUTS — MINING EQUIPMENT — ROLLED STEEL PRODUCTS — GREY IRON CASTINGS
General Offices: 621 Craig St. West, Montreal

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Canada's War-Time Economy Reviewed By Bankers

Government Policy In Price Control And Taxes Praised By Bank of Montreal President

Huntly R. Drummond Says, However, It Is To Private Enterprise The Country Must Look To Convert War Factories To Peace-Time Production

BANKS PLAYING BIG PART IN WAR EFFORT

The national economy in war-time, with its remarkable industrial expansion—its results in increased taxation and price, wage and other controls and the impressive record of public co-operation, particularly in meeting financial requirements—was reviewed at the 125th annual meeting of the Bank of Montreal yesterday by the president, Huntly R. Drummond. Mr. Drummond said the Government's effort to prevent the effects of inflation, witnessed in the aftermath of the last war, merited the support of every thinking Canadian, but reiterated his plea of a year ago that Government controls and regulation be removed with all possible speed after the war, so private enterprise may have the opportunity to convert war factories to the production of peace-time goods.

Referring to Canada's expansion in the production of weapons of war "which our manufacturers had never contemplated undertaking but which they are now producing, staggeringly large in quantity and of quality equal to any," Mr. Drummond declared that, in a word, Canada had risen in a single bound to the rank of a major industrial nation. But he made it plain that the first purpose of industry was service rather than profit:

"While this unparalleled expansion in manufacturing has taken place, with the present income and excess profits taxes no company today can retain large profits. Industry is working, not for profit but for furtherance of our war effort, and merits our unstinted praise.

"Nevertheless, it is vital to the future welfare of the country that industry should be allowed to retain sufficient reserves to enable it to meet the strain of re-converting plants to the production of peacetime goods at the end of the war."

BUSINESS IN WARTIME

The record of business in Canada in these days practically amounted to the history of the government's efforts in the war, observed the president; controls had increased until they had invaded every section of business and society. He continued:

"Even with a great increase in our national income, we are spending today more than half of the total on war; of this expenditure, approximately one half is being raised by taxes, which are probably as high here as in any country, if not higher.

"The balance must come from loans, and it will! Canadians, realizing the issues at stake, are rising to the occasion, and their willing response to appeals is a tribute to our national spirit."

INCOME TAX IS HIGHEST

Canada's income tax, company and individual combined, was referred to by Mr. Drummond as "probably the highest in any of the Allied Nations and covers practically every individual." As to what this meant to the Canadian people he said:

"Necessarily, this has brought hardship to that large and often forgotten class of older and dependent persons who have to live on savings of bread-winners who have passed on. These have been caught between the upper and nether millstones of higher taxation and lower interest on investments. It also affects adversely the ever larger body of office workers and those of the professional classes who have had no increase in earnings to enable them to meet higher taxes. Nevertheless, the cheerful acceptance of hardship by all Canadians has been notable and is an encouraging sign for the future.

"We have in our own organization a wonderful example of this spirit. All told, 4,337 members of the Staff subscribed to the last Victory Loan a total of $929,750 in bonds. Of these, 3,848 members who earn less than $3,000 per annum took no less than $465,900.

"Today we are called on by the leaders of our Government to make sacrifices, and we do so willingly; we call, and we have a right to call, on our Government to cut as deeply as we do into every expenditure they make which does not further our war effort."

BANKS PLAY THEIR PART

While giving credit to the government for the conduct of its finances in this war and its fight against inflation—which, he said, merited the support of every thinking Canadian—the president said that, "we must, in justice to the Banks of the Dominion, tell of the work they had done long before and during this time of war to lay broad and firm the foundation on which the government's efforts are founded and which, in fact, made them possible"; he continued:

"If the health of the country is sound, in a monetary sense, it is largely due to the wise conduct by the Banks, over many years, of their own affairs, and their help and guidance on the business affairs of all Canadians,

"Thus, today they are able to support to the full the Government in its stupendous task of financing the war.

"We can fairly claim that in Canada our banking system has more than justified its existence and, with irrefutable facts, answer those who talk of the State taking over the Banks."

The speaker found it gratifying that the Canadian farmer is sharing with others in the increased prosperity of the country at this time when the production of food is of vital importance, not only to Canada, but to the whole world. And wage-earners generally had benefited, as indicated by an increase in the index number of rates from wages from 104.9 in 1938 to 119.2 in 1941, the latter being about three times as high as the level prevailing at the beginning of this century.

Dealing with transportation, Mr. Drummond referred to the splendid way in which the railways have met the sudden demands imposed on them by war; it "was a tribute to those who direct their operations and a source of satisfaction to Canadians."

CONTROLS "FOR THE DURATION"

Mr. Drummond also pointed out that the wide expansion in industrial production had been financed by taxation and government borrowings under government direction and control and he urged that such control and regulation be removed with all speed after the war is over. In this connection he said:

"The Government has provided the money, guaranteed the overhead and provided the market for the output. These conditions will not, and cannot, obtain after the war. Then we must look to the initiative and trained experience of private enterprise to reverse the process, in which it has been so successful, and to convert our war factories to the production of peacetime goods.

"When I last appeared before you, I used these words: 'Democracy gives us great privileges, but every privilege has its corresponding duty; to keep the privileges we must be prepared to sacrifice everything except ultimate freedom itself. When the war is over, it is essential that Government controls and regulation be removed with all possible speed, for if we are to continue in a system of free enterprise for which we are fighting, it is to private enterprise that we must look for resumption of normal activities.'"

BANK'S ASSETS AVERAGE OVER A BILLION

Dealing with the Bank's financial position, the president pointed out that the average assets of the Bank during the year were $1,091 million, compared with $1,032 million in the preceding year. Deposits—the safety of which is "our first consideration"—amounted to $1,064,645,000. While earnings showed a small increase, taxes at $2,540,000 were considerably higher.

This higher taxation came from the Government's policy of restricting net earnings to 70% of pre-war standard profits. The incidence of this increase in the rate of taxes announced by the Minister of Finance in his budget speech was felt only in the last four months of the year; the taxes for the coming 12 months would be sharply higher. Dealing further with the bank's position, he continued:

"This year an even larger proportion of our assets is represented by investments; these, almost exclusively short term and immediately realizable, place the Bank in a stronger position than ever before.

"Under war conditions, with business now being financed in increasingly large measure by Government funds, our commercial loans have been reduced though they are still higher than at the beginning of the war.

"These facts—higher taxes, a greater total of investments, fewer loans, combined with the Government policy of keeping interest rates low, which we commend—have the effect of reducing the earning power of all banks and are reflected in reduction of our dividend.

"We believe our shareholders are willing, as are all Canadians, to further our war effort in every way and to make a contribution, as they are doing, to that end. As the Prime Minister has said, 'Nothing matters now but Victory.'

"Nevertheless, owing to its strong position, the earnings of the Bank remain reasonably satisfactory. We believe that the history of the Bank, which has never failed to pay a dividend for well over a hundred years, is our justification for making safety our first aim."

Referring to the bank's history in the 125th anniversary year, Mr. Drummond mentioned that when its doors were opened in 1817 the capital was $250,000. Since that beginning eight sovereigns had reigned in England, and it has survived nine wars. He added: "While the Bank is an old one, it has been in the forefront in all its years in all constructive business developments."

GREAT BRITAIN AND THE U. S. A.

"In the United Kingdom," said Mr. Drummond, "we see the inspiring spectacle of a nation without an idle person.

"Men, women and children are all working with but one purpose, that of winning the war, with the result that the output of war material per person is higher there than in any other country. The majority of the workers spend their leisure hours in some of the military duties civilians have to shoulder.

"Britain today is producing two thirds of the food she requires, a great achievement which may have repercussions after the war. Above all else, the spirit of Britain remains the admiration of us all."

Referring to conditions in the United States—"transformed into a nation at war since Japan made its treacherous attack on Pearl Harbour"—the president said:

"Their production of every weapon—tanks, planes, guns, ships—has been a miracle, and the end is not yet: it is constantly rising to new heights.

"The President now has the power to stabilize prices and wages, as Canada has done, and this vitally important effort, firmly held to, will be a large factor in the future prosperity of the country.

"The United States and the other Allied countries are now producing much more than the Axis; this is telling in the war and will do so increasingly till Victory is won."

STAFF IN WAR SERVICE

The Bank had continued its policy of lending men to the government, Mr. Drummond said, and he mentioned especially the work of Mr. Spinney, the General Manager, "to whom the overwhelming success of the Third Victory Loan, as well as the previous Victory Loans, has been in a large measure due; his organization and the patriotic response of a million nine hundred thousand Canadians made possible this wonderful result."

Reference also was made to the retirement of Mr. Jackson Dodds, Joint General Manager, who "asked to be relieved of his duties so as to be able to devote more of his time to his many patriotic interests," and tribute was paid to the esprit de corps of all the members of the staff, "shouldering increased work with efficiency and cheerfulness."

Mr. Drummond made fitting reference to the death during the year of two members of the Board of Directors, Mr. C. H. Houson and Mr. W. N. Tilley, K.C., while Hon. Louis St. Laurent, having accepted the portfolio of Minister of Justice, had resigned.

"On The Shoulders Of Free Enterprise Stand Those Other Freedoms That Make Up Democracy"

"We have gone a long way toward sacrificing everything but liberty itself," said Mr. Drummond in the course of his address, "and we have witnessed a truly astonishing manifestation of national willingness to do so and national understanding of the necessity therefor. By establishing price and wage control, rigid control of non-essential production and progressively severe control of the individual activities of our whole man and woman power, we have gone far toward sacrificing 'everything except ultimate freedom itself.' Overboard has gone liberty in every direction—how much, or how little, men shall produce, or sell or buy; how much, or how little, they shall profit by their work; what occupation shall be open to them and what shall be closed; where they shall work, and when; what they may consume and what they may not consume.

"All these things are essential. That is war. That is the price—of what? Of ultimate freedom. Freedom from the control of our individual lives by just such regimentation as that which is now being imposed. We gladly submit to such temporary sacrifices because the alternative is having them imposed upon us permanently by brutal foreign taskmasters. But never let us lose sight of the end in view, which is freedom itself. Nor let us forget that on the shoulders of free enterprise stand those other freedoms that make up democracy—freedom of conscience, freedom of speech, freedom of labour, and equality before the law."

G. W. Spinney Explains How War Conditions Have Caused Balance Sheet Changes

Discusses War Financing — Says Despite Magnitude Of War Loans, Total Interest Charges Are At Present Less Than 10% Of Dominion Revenues

WAR CONTROLS AFFECT BRANCH SYSTEM

Significant changes in the balance sheet of the Bank, largely arising from the effects of war conditions, were reviewed by G. W. Spinney, general manager, in his address to the meeting. He also referred to the difficulties experienced in maintaining the branch system and to the staff problems arising from war-time controls and the demands of war service. A five-year review of salient features of the bank's balance sheet shows that, between 1938 and 1942, total assets increased by over 300 million dollars, an increase that was paralleled in total deposits, while investment in Government securities expanded by more than 245 million dollars.

Reviewing operations for the fiscal year ended October 31, the general manager drew attention to the contraction in net profits, which were off at $3,283,000 from $3,437,000 for the previous fiscal year. These comparative profits were after deduction of $2,540,000 for Dominion Government taxes in the 1942 period and $2,243,000 in the preceding period. In this connection he said: "In spite of higher operating costs and lower yields on investments, the net earnings position was relatively well maintained, but I should point out that the effect of the increased Dominion Government taxation imposed under the last Federal Budget was felt during only part of the year under review."

Dealing with the changes in the balance sheet, he pointed out that at the end of the fiscal year under review total assets amounted to $1,175,319,000, as compared with $1,046,551,000 at the end of the previous year. Quick assets aggregated $896,935,000 or 81.65% of all liabilities to the public.

Notes of and deposits with the Bank of Canada amounted to $110,704,000, representing approximately 12% of all deposit liabilities in Canadian dollars.

SHORT TERM INVESTMENTS

Drawing attention to the fact that investments not exceeding market value were carried at $684,147,000, an increase of $185,223,000 during the year, Mr. Spinney said: "At October 31st, the average maturity of our bond portfolio (exclusive of Treasury Bills and deposit Certificates) was approximately 2½ years. The increase in investments is mainly under the heading of Dominion of Canada securities and resulted almost wholly from our purchase of Deposit Certificates. These Certificates are a new type of instrument devised to provide flexible short-term financing for the Dominion Government, and are similar to the Treasury Deposit Receipts used in Great Britain during the war of 1914-18 and re-introduced by the British Treasury at the beginning of July, 1940. Dominion of Canada Deposit Certificates carry a rate of ¾%, as compared with a rate of 1⅛% on United Kingdom Treasury Deposit Receipts. Since the date of our statement our holdings of Certificates have been somewhat reduced out of the proceeds of the Third Victory Loan, but this type of Treasury instrument is likely to be represented in our assets to a greater or lesser degree for the duration of the War. While the Certificates are as fully negotiable as other Dominion Government obligations, they are not intended as a trading instrument and in practice their liquidity is a matter for arrangement with the Central Bank.

"While our holdings of Dominion Government securities have increased substantially since the beginning of the War, our holdings of Provincial and Municipal securities have been sharply reduced. This is a reflection of the improved revenue position and the lower public borrowing requirements of Provincial and Municipal Governments due to war conditions, and the trend is healthy and commendable. The same trend is indicated in our loans to Municipalities and School Districts, which were reduced during the year by over $5,000,000."

Reviewing balance sheet changes further, he continued: "Current Loans and Discounts at $244,415,000 showed a contraction of $59,290,000. Some of the factors involved in the decrease were the growing difficulty of replacing inventories, the reduction in financing of consumer goods resulting in part from governmental restrictions on time and instalment sales, the increased Government financing of war industries, and reduced activity in the financial markets.

"Total deposits at $1,064,645,000 showed an increase during the year of $136,257,000. These figures reflect the general monetary expansion associated with the enlarged volume of production. Payments by customers for Victory Bonds have resulted in substantial temporary withdrawals, both in notice and demand deposits by the public. The first effect is a commensurate increase in Dominion Government deposits, but as the moneys are expended by Government, deposits by the public are replenished, although not necessarily under the same headings. The substantial rise in deposits since 1940 has been in the demand category."

Drawing attention to the effects of government controls on the branch system of the Bank, the general manager said: "In accordance with Federal Government policy, as announced through the Wartime Prices and Trade Board, of curtailing all non-essential activities with a view to conserving man-power for the war effort, the Chartered Banks are taking steps to reduce all unnecessary banking services. This entails the closing of branches in areas where overlapping exists.

"Care is being exercised to see that no area is left without adequate facilities as it is recognized that banking service is essential for the orderly conduct of general business.

"In the year ended October 31st we closed twenty-five branches, of which sixteen were situated in seven large cities across Canada. We have also reduced three branches to sub-agency status. At the moment the Banks are actively engaged in a programme for the further contraction of the branch system.

"With the same end in view of conserving man-power, the Banks in collaboration with the authorities at Ottawa are studying the matter of eliminating non-essential services as well as the simplification of routine and of Government returns."

On the subject of Dominion Government financing, Mr. Spinney told the meeting that during the year ended October 31st, new and refunding issues of the Dominion Government, exclusive of Treasury Bill financing but adjusted to include the approximate total of the Third Victory Loan, which was issued in the latter part of October and the early part of November, aggregated approximately $3,150,000,000. This figure, he pointed out, includes $645,000,000 of the new Dominion of Canada ¾% Deposit Certificates, sold to the Chartered Banks from July to October, some of which have since been retired.

War Financing Through Banks Being Kept Within Reasonable and Manageable Proportions

In referring to the large scale borrowing of the federal government for war purposes in the course of his address, G. W. Spinney, the general manager, expressed the opinion that the amount of war financing through the Chartered Banks has so far been kept within reasonable and manageable proportions.

"The extent to which this type of borrowing can be kept in check," he pointed out, "will depend largely upon the success of the public distribution from time to time of Government loan flotations.

"Some idea of the magnitude of Dominion Government expenditures," he continued, "may be gained from the fact that for the six months ended October 31st the average monthly rate was $357,000,000, as contrasted with an average monthly rate of $45,000,000 in the year 1938. The highest average monthly rate of expenditure in any year of the First World War was about $55,000,000. A substantial part of the increased expenditure is, of course, provided from increased taxation and it should be remembered that the portion not covered by taxation is being funded at much lower rates than in the First World War. While the mounting debt is increasing the interest burden, the total interest charges are at present less than 10% of Dominion revenues."

STAFF SHOULDERS ADDED WORK

Particular mention was made of the manner in which the staff of the Bank had undertaken and fulfilled the heavy additional duties imposed upon it by war conditions. Long hours have been the rule rather than the exception, he said, and extra duties have been loyally undertaken. "In spite of the heavier demands," he continued, "they have gone about their daily work with cheerfulness and enthusiasm. After hours, many have taken up duties with the Reserve Army and under civilian schemes for furthering the war effort.

"At this point I would like to digress for a moment to pay a well-deserved tribute to those on the other side of the counter—the general public. Under conditions as they are to-day, with a greatly augmented inexperienced staff, and with the increased tempo of business; it has not always been possible to extend a service of pre-war standard. But our customers and friends have shown every consideration, in many cases by doing their banking earlier in the day when the rush is not so great, and generally by exercising patience and understanding, and we are grateful for their co-operation.

"During the past year additional members of our staff have been loaned to branches of Government to assist in the war effort. In spite of our own difficulties and the fact that some of these loaned officials held key positions in our organization, we have gladly made their services available.

"Enlistments out of our ranks in the Navy, Army and Air Force now number 1,043. Those who enter the Armed Forces are granted leave of absence without question or delay and during the time they are on active service we maintain their seniority in the Bank and their standing in the Pension Fund Society."

THE 125TH ANNUAL REPORT

The general manager made reference in his address to the historic significance of the fact that the annual report being presented to the meeting was the 125th financial statement made by the Bank. "On November 3rd, 1817, in a house in St. Paul Street," he said "this Bank was first opened for business. Thus our history began only two years after the Battle of Waterloo. In the course of a century and a quarter we have seen booms and depressions, good times and bad, wars and rumours of wars. We were doing business during the troubled times of the Crimean War, the Indian Mutiny, the American Civil War, the South African War and the First World War. We are now in the throes of the greatest conflict of them all. On every working day in the past 125 years the doors of this Bank have been open for business. We take pardonable pride in marking this Anniversary and were it not for the War the occasion would have been observed with greater emphasis. Those of us who are privileged to serve the institution in these trying days are mindful of the principles and traditions that have enabled this Bank through all the years of its history to steer a course steady and strong, and to provide under all conditions and circumstances the highest type of banking service."

OPERATIONS OUTSIDE DOMINION

Reviewing operations of the Bank outside of Canada, the general manager stated that, as a result of large scale defence projects commenced in 1941, all available labour in Newfoundland had been absorbed and the country has continued to enjoy a wave of prosperity.

Paper mills operated at capacity for a large part of the year but in midsummer difficulty in securing woods labour resulted in a slight reduction in operations. The base-metal mine worked at full time throughout the year and the iron ore mines at Bell Island produced to capacity during the summer and on a slightly curtailed scale for the remainder of the year.

Government revenues for the last fiscal year were the highest on record and resulted in a surplus over expenditures of upwards of $7,000,000. In addition some $800,000 was raised from sale of War Savings Certificates.

Dealing with conditions in the United Kingdom, he said, "Of all the places where the Bank is represented London has, of course, been the most affected by the War. Under most trying and at times dangerous conditions our staff have carried on the day-to-day business in our two London Offices without a break and we owe them a debt of gratitude. Our Branch at Waterloo Place, which was of such invaluable service to our soldiers overseas in the last War, is again extending special services to members of our armed forces, and we are glad to make these facilities available.

"In the United States, where the Bank has long-established and highly useful agencies in New York, Chicago and San Francisco," he continued, "the pressure on bank reserves and the large offerings of new Treasury obligations have resulted in a slight hardening in short-term lending rates, but interest rates are not expected to move higher, as statements made by Treasury officials indicate a policy of holding rates around present levels. The dollar amount of bankers' acceptances outstanding at present is the lowest figure in twenty-five years and there is very little demand for call money, which is freely offered at 1%.

"The securities markets, since the low point of the spring, have registered substantial appreciation and during the year Dominion of Canada bonds have been firm and in demand by investors."

YEAR OF ABUNDANT CROPS

On the subject of Canada's crops Mr. Spinney pointed out that this has been a year of abundance throughout Canada with satisfactory crops in every Province, unusually heavy crops in many districts and a total production of cereals surpassing all previous records. "The Dominion Bureau of Statistics estimates the 1942 wheat crop," he said, "at nearly 608,000,000 bushels, which is by a considerable margin the largest wheat crop Canada has produced and is almost double the 312,000,000 bushels harvested in 1941. We more than doubled our production of oats, barley, rye and flax. While bumper crops, added to the substantial carry-overs, will involve storage problems, I cannot but feel that this large and bountiful harvest will ultimately prove of great benefit in a world where the forces of destruction and the absence of production have been so widespread."

Assets Show Large Increase Through Wartime Financing

The effect of war conditions on the Bank of Montreal's balance sheet position may be seen from the following rough figures, quoted by the general manager, showing the movement of the principal items from 1938 to 1942—

	Years ended October 31st				
	1938	1939	1940	1941	1942
	(Millions of Dollars)				
Total Assets	874	1,026	961	1,047	1,175
Total Deposits	763	915	849	928	1,065
Demand Deposits in Canada (Including Government Deposits)	235	319	318	409	518
Notice Deposits in Canada	450	457	420	406	421
Dominion and Provincial Government Securities	262	436	401	436	608
Other Investments	79	82	61	63	76
Current Loans and Discounts	226	256	268	304	245

New Books

Good Neighbors

BRITISH COLUMBIA AND THE UNITED STATES. By F. W. Howay, W. N. Sage H. F. Angus. Published in Canada by the Ryerson Press. Price $3.50.

This is the latest volume in the series of studies prepared under the direction of the Carnegie Endowment for International Peace under the general heading of "The Relations of Canada and the United States."

In many respects no part of Canada has been more closely drawn into the United States at various phases of its history, hence no other part of Canada offers such a fertile field for the historian of investigation along the lines of this copy.

This new volume is a "must" for the historian, and a valuable piece of mental exercise for the layman.

Manhour Productivity

PRODUCTIVITY OF LABOR IN PEACE AND WAR. By Solomon Fabricant. Occasional Paper No. 7 of the National Bureau of Economic Research, New York.

Measure of the direction of trend in productivity per worker, or better still, per manhour, is one of those intangible studies which have gained great importance.

During peacetime, however, Mr. Fabricant concludes, "we find a substantial increase in average product per manhour. If we take into account improvements in the quality of goods and services during the last four decades, the rise would seem to be even more substantial." More specifically, he finds that from 1899 to 1939, manufacturing output per manhour tripled; in mining the increment was 270% between 1902 and 1939; for electric power and light about 500% from 1902 to 1937. Only agriculture failed to keep pace with growth in the entire economy in the United States.

Turning to wartime conditions it is suggested that output per manhour will drop, following an initial spurt of activity. This was the case during the 1914-1918 war and, while output per worker may not yet have started to fall, it has stopped rising and output per manhour may have already started to decline.

The Coming Struggle In Canadian Politics

Further comment on the Nov. 7 article by Bruce Hutchison is published herewith. Mr. Hutchison took the stand that one or both of the older parties would likely move to the left. The Winnipeg Conservative convention indicates that that party is moving in that direction.

An Editorial from the "Halifax Chronicle"

The phrase "imponderables of war" has its civilian counterpart in the contemporary Canadian political scene. For here, surely, the "imponderables" are far more perplexing for the strategist—whether military or political— than any that war has yet imposed. That is why there must be a certain reluctance to accept at face value Bruce Hutchison's horoscope of this country's political future as set forth a few days ago in The Financial Post. As a writer Mr. Hutchison can be most entertaining. As a political analyst his tendency toward oversimplification arouses one's sense of caution. For Canadian politics, whatever else may be said, have never been the simple matter which Mr. Hutchison would have us believe.

Mr. Hutchison argues that the underlying issue in postwar Canadian politics will be between statism and private initiative. The C.C.F., with its doctrine of a socialist Utopia, will, in his opinion, provide the focal point for those who believe that individual responsibility may be abandoned in favor of state responsibility. Believers in private initiative, on the other hand, face danger of the gravest sort because their ranks are divided between the Liberal and the Conservative parties.

Political medicine has to be administered in regional doses if the Canadian body politic is to be kept reasonably healthy. That is one reason why, in national politics, laissez-faire Liberalism has achieved such outstanding success.

From An Editorial in "Le Jour," Montreal

In an article which The Financial Post published on Nov. 7, the distinguished journalist, Mr. Bruce Hutchison, gives serious study to the situation of the three political parties of this country. According to him the C.C.F. is gaining in popularity as a result of the stagnation of the two traditional groups.

Conservatives and Liberals both stand for the maintenance of private initiative. Can they stop the wave of Socialism by clinging to their positions? Can they prevent the C. C. F. from becoming the parliamentary opposition of tomorrow, and after tomorrow, the government, by their ordinary opportunistic policies?

Mr. Hutchison replies frankly in the negative. It is henceforth impossible, says he, to continue to form the official opposition sometimes with Conservatives, sometimes with Liberals, in such a manner that the C.C.F. will indefinitely play the third fiddle.

In spite of appearances which seem to favor the coming of Socialism, we ourselves have the conviction that a vigorous crusade by all liberal and progressive spirits—here we mean the word "liberal" in its true sense—for the largest measure of social justice, a better distribution of work and capital, could obtain considerable success.

From J. H. Bender

Vice-president, A. Bélanger, Ltd.

In the past 51 years, the Conservatives have had the following leaders: Sir John A. Macdonald, Messrs. Abbott, Thompson, Bowell, Tupper, Borden, Meighen, Guthrie, Bennett, Manion, Hanson, and again Meighen.

During the same period, the Liberals have had only two leaders—Laurier and King.

This undoubtedly explains why, for many years, the Conservatives have enjoyed so little success in politics.

It is no secret that Mr. Mackenzie King, before succeeding in becoming Prime Minister of Canada for a longer period than Sir Wilfrid Laurier himself, suffered three personal defeats and was forced to go to Prince Edward Island to get elected, finishing up within the borders of Saskatchewan.

From an editorial in the "Kelowna Courier"

Mr. Hutchison is convinced that following the war there will be one group in Canada anxious to retain private initiative while another major party will be anxious for out-and-out socialism. There will be no room for a powerful third party.

"A party which stands for private initiative," Mr. Hutchison states, "and yet stands for drastic reforms to remove the abuses and diseases of private initiative, will have a great future in Canada.

Mr. Hutchison's article is the clearest analysis of present political trends which has come to our attention. He puts into one syllable words that which many of us have been thinking for some time. His article should be read carefully and reread by all those who are interested in the future of this country.

From Everett Bristol, K.C.

Of the Toronto legal firm of White, Ruel & Bristol.

I agree with Bruce Hutchison that it is "now or never" for the Conservative party and that a forthright and realistic programme is more important than the choice of a leader. In my opinion, the latter should be a temporary choice only for the duration of the war, after which the men of the armed forces, among whom there may very well be found an outstanding leader, can have their voice.

As to the party programme, my view is that the keystone should be a declaration of faith in the system of free enterprise, in the belief that true progress requires freedom of individual initiative, restricted, however, by such controls as will safeguard against exploitation of the people, and will ensure that over and above a reasonable return to capital the profits of enterprise are distributed fairly for the benefit of all workers engaged therein and the consuming public.

A similar declaration was unanimously adopted by the Dominion Convention of the Canadian Legion at Winnipeg in May of this year. The veterans of the last war and of this war and their dependents will constitute a formidable body of voters whose opinions must be reckoned with.

I am convinced that they can be an important stabilizing influence in Canadian politics in the postwar days.

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Newsprint Policy in the Making

Slash in Paper Supply Scheduled for Coming Year

By JOHN LANGDON

MONTREAL. — Seldom in its history has the newsprint industry looked forward to a new year with such uncertainty. Supply and demand no longer govern operations.

There are at least five factors bearing on how much newsprint will be available for consumption in 1943, not only in Canada but in the United States.

Need More Manpower

In the first place, there is the question of what additional manpower the industry will be called upon to provide for war industries and the armed services.

A further diversion of manpower can be taken for granted.

Power continues to be a factor. Already some 150,000 h.p. of hydro electricity has been diverted from the pulp and paper mills to war industries.

There is no assurance that more power will not be taken. The manufacture of aluminum requires huge quantities of electricity. While steps have been taken to increase the supply, through development of new plants and conservation, it cannot be said with certainty that the pulp and paper industry will not face additional power curtailment.

Pulpwood Scarce

Third on the list of factors influencing operations next year is the pulpwood supply. A number of mills have sufficient wood to take care of their reduced requirements throughout 1943. However, this does not apply to all mills. Taking the over-all picture, it may be said that operating at the maximum level established by the recent "freezing" order, the supply of pulpwood will be exhausted at mid-year or shortly after.

The cut of pulpwood this winter will be far from normal. Over recent months a serious shortage of lumber has developed. Wood crews have consequently been turned over to get out long logs for lumber instead of pulpwood.

Short Cut in Prospect

In some areas the cut has dropped 25%.

A minor but nevertheless important consideration is the necessity of saving essential materials which enter into the manufacture of newsprint. These materials include fourdrinier wires (made of the purest copper), felts, stainless steel, steel rollers, sulphur, acids, etc.

While the requirements of the individual mill may not be much, still collectively the industry uses large quantities.

Pulp Needs Growing

Last, but by no means least, is the necessity of diverting larger quantities of pulp into war materials.

Newsprint is composed of groundwood and sulphite pulp, with groundwood making up 85% of the product. Groundwood has limited use for war purposes. Still the conservation of wood, materials, labor and power for the production of the higher grades of pulp makes it important that the manufacture of groundwood be kept down to essential requirements.

These major influences bearing on the newsprint manufacturing policy for 1943, not only in Canada but in the United States, are not new. Last month they formed the basis of an order which limited newsprint production to a maximum of the average output during the months of April to Sept., 1942.

Pressure Still Present

The need for a further cut in production is said to remain and publishers in the United States and Canada have been warned that action will be taken shortly.

What the freezing order means to the Canadian industry is shown in the following table, setting out annual production from 1939 to 1943, together with the capacity ratio:

Production of Newsprint

Year:	Tonnage	% of Capacity
1943*	3,050,000	69.5
1942‡	3,250,000	72.8
1941	3,426,000	78.9
1940	3,419,000	78.3
1939	2,869,000	66.8

*Maximum allowed under recent freezing order. ‡Estimated.

Effect on Supply

The 3,050,000 tons which the newsprint industry in Canada may produce in 1943 is the maximum. It is unlikely this figure will be reached. There is talk of an enforced cut ranging anywhere from 10 to 25%.

What Canadian newsprint would be available at varying rates of reduction from the present fixed maximum is set out below:

Rate of Production in 1943 With Varying Reductions

	Tonnage	% of Capacity
Maximum	3,050,000	69.5
5% cut	2,897,500	66.0
10% cut	2,745,000	62.5
15% cut	2,592,500	59.0
20% cut	2,440,000	55.5
25% cut	2,287,500	52.0

Rate of Consumption

How do these prospective output figures compare with consumption?

Consumption of Canadian newsprint paper this year is estimated at just under 3.1 million tons. At the "maximum" rate of production, supply would just about balance an unchanged demand in 1943. A cut in output of anywhere from 5 to 25% would force publishers to limit the size of their papers, and perhaps to restrict circulation.

The consumption of Canadian newsprint paper (returns do not include excess stocks built up by American publishers) in 1941 with estimated figures for 1942 follow:

Newsprint Consumption* (In tons)

	1942	1941
United States	2,688,000	2,770,000
Canada	195,000	197,000
Overseas	200,000	488,000
Total	3,083,000	3,455,000

*Figures represent Canadian tonnage only, and exclude excess stocks built up by American publishers during 1942.

Over recent weeks meetings have been held in Washington between officials of the War Production Board and American publishers and in Toronto between the Newsprint Administrator R. L. Weldon and Canadian publishers, to discuss curtailment.

Government agencies have indicated that they want the publishers to reach an agreement among themselves as to how the limited supply will be distributed.

The point has been made consistently by its spokesmen that the pulp and paper industry, and especially the newsprint division, is by no means non-essential.

The maintenance of the press is important to the war effort, and that is only possible with a reasonably adequate supply of newsprint.

Last year the sale of newsprint in export markets brought to Canada $150 millions in U. S. funds—a major item in maintaining balance of payments with the United States.

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More Newsprint For U. S. Market

From Our Own Correspondent

MONTREAL.—Newsprint supplies made available to the United States market for the 10 months ended Oct., 1942, totalled 3,321,206 tons, of which Canada supplied 71%. This contrasts with 3,273,261 tons in the like period of 1941, when Canada contributed 69%.

A breakdown of the sources of newsprint supplies for the United States for the January-October period 1942 with comparative figures for 1941 follows:

Source of U. S. Supply

From:	Jan.-Oct. 1942 Tons	Jan.-Oct. 1941 Tons
Domestic mills	784,743	829,007
Canada	2,370,438	2,239,962
Newfoundland	163,160	172,477
Europe	2,865	31,815
Total	3,321,206	3,273,261

Newsprint Curtailment Plans Get Further Consideration

From Our Own Correspondent

WASHINGTON. — The newsprint situation is rapidly coming to a head with important conferences under way here this week on the next phase of the curtailment programme.

Morris Ernst, New York lawyer, had just completed a survey of British paper regulations in Great Britain.

Meanwhile Canada's questionaire to publishers and wood pulp users will probably be duplicated by a similar questionaire directed to U. S. publishers. Already such questionaires have been prepared for distribution to pulp and paper mills for basic data on operations.

Although much significance was attached to the Ernst mission to London, it was stated that British paper regulations would not be completely applicable to the Canadian-American picture because transportation is the key to the British picture.

It is considered unlikely that sensational steps are presently in prospect for publishers on either side of the border. Further limitations can be expected but the tendency is to go slow and enlist the co-operation of publishers and the pulp and paper industry.

Bathurst Gain Slows Down

From Our Own Correspondent

MONTREAL.—Bathurst Power & Paper Co. reports a sizeable reduction in earnings during the third quarter of this year. The change is due to a curtailment of power, coupled with higher costs for raw materials.

For the nine months ended Sept. 30, 1942, profits were $1,213,294, subject to audit and year-end adjustments, after depreciation and depletion, but before providing for Dominion income and excess profits taxes.

This compares, after adjusting depreciation by the proportion of the additional amount absorbed in the last quarter of 1941, but before providing for Dominion taxes, with $1,121,469 for the nine months' period ended Sept. 30, 1941.

Minimum Tax Basis

Dominion income and excess profits taxes, the company reports, are being accrued at assumed rates aggregating 40%, but the final liability for such taxes is uncertain. An adjustment of the tax provision may be necessary, it is pointed out. The tax liability for 1941 and 1940 likewise is subject to final determination by the Income Tax authorities.

Indicated profit for the third quarter of 1942 was $332,014 on the above basis, compared with $476,266 a year ago.

Current assets as of Sept. 30 last totalled $5,100,089, including cash, and marketable securities at $1,646,029. With current liabilities at $949,536, working capital was $4,150,553. The latter figure compares with $3,976,623 as of June 30 and $3,649,709 at the end of 1941.

N, England Power Returns Improve

From Our Own Correspondent

MONTREAL.—Consolidated earnings of New England Power Association and subsidiaries show a moderate improvement during the first nine months of 1942.

Gross earnings for the period totalled $62.1 millions. This contrasts with $47.9 millions the year before. After allowing for higher costs, depreciation and tax reserves, net revenue totalled nearly $12.2 millions, as against $11.9 millions in the like period of 1941.

A drop in interest charges left $3.3 millions available for dividends on New England Power's capital stock, an improvement of $600,000 over the preceding year. After dividends on the 6% and $2 preferred, there remained a consolidated balance of $1.3 million for the Jan.-Sept. period of 1942, as against $716,310 in the like period of 1941.

ELECTED DIRECTOR

V. G. Bartram, president of Shawinigan Chemicals Ltd., of Montreal, who has been elected a director of Canadian Liquid Air Co.

Porto Rico Power Regains Property

From Our Own Correspondent

MONTREAL. — Expropriation of the properties of Porto Rico Railway, Light & Power Co. by the U. S. Federal Works Administrator has been disallowed by the U. S. Circuit Court of Appeals for the First Circuit, in Boston.

Under ruling handed down by the Federal District Court of Porto Rico on July 10, the property was turned over to the Administrator under the Lenham Act.

The expropriation was set aside because it did not appear that the President of the United States had approved the taking, and secondly because the Lenham Act did not authorize the condemnation and taking over as a going concern of the properties, real and personal, of a privately owned public utility.

At the time the transfer of ownership was made last July, compensation deposited with the courts for the properties was $6¼ millions.

U. S. Wood Pulp Stocks Show Little Change

From Our Own Correspondent

MONTREAL.—Stocks of purchased wood pulp in the United States as reported to the American Pulp and Paper Association for Nov. 1 showed only a minor variation from those of the preceding month. Total stock as at that date amounted to approximately 265,000 tons, a decrease of 3,000 tons from the Oct. 1 figure.

Abitibi Power & Paper Company, Limited
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Port Arthur, Ont.

Newsprint
Groundwood Pulp
News Sulphite Pulp
High Grade Bleached Sulphite Pulp

Newsprint Mills Keep Up Output

From Our Own Correspondent

MONTREAL. — Both production and shipments of Canadian newsprint paper advanced during October, according to returns of the Newsprint Association of Canada and the News Print Service Bureau.

Canadian mills turned out 271,550 tons and shipped 295,625 tons. For the same month last year the figures were 318,787 and 304,685 tons, respectively.

Of last month's shipments Canadian mills dispatched 17,700 tons to domestic publishers. This was the second largest total for any month this year, but was still below the Oct., 1942, returns.

Shipments to the United States totalled 268,329 tons, a moderate increase over the previous month, but 21,000 tons more than in October last year.

The difficulties of ocean transport are seen in shipments of only 9,596 tons to overseas markets. This is the lowest monthly figure reported in many years and about 25% of that for the same month last year.

Newfoundland's two mills did not do quite so well last month. Production was off slightly at 21,822 tons, while shipments of 26,561 tons were 3,300 tons less in the previous month and more than 12,000 tons under the Oct., 1941 figure.

American mills are still operating under last year's level, but production showed an increase of nearly 7,000 tons from the September level to 84,217 tons. Shipment advanced slightly to 85,458 tons.

Contrary to the usual trend stocks of newsprint paper at the mills declined 30,050 tons during October. During the same month in 1941 and 1940 there were corresponding increases of 4,813 and 26,239 tons respectively.

East Kootenay Power Earnings Maintained

From Our Own Correspondent

MONTREAL.—Moderate increase in gross and net earnings is reported by East Kootenay Power Co. for October. Gross income advanced $6,692 over the same month last year, while net operating income of $49,160 was $1,895 above that reported in 1941.

Cumulative earnings for the seven months ended Oct. 31 show gross income higher by $46,157 at $446,632, working expenses increased by $47,041, leaving net income of $271,369, as against $272,253 a year ago.

Both for October and the seven months ended October, operating expenses do not include income and excess profits taxes.

U. S. Paper Mills Operate On Lower Basis

From Our Own Correspondent

MONTREAL.—United States paper mills report a further slowing down in activity, according to returns received by the American Paper and Pulp Association. During the week of Nov. 21, the reporting mills operated at 87.5% of capacity.

Power Corp. Group Output Drops 3.3%

From Our Own Correspondent

MONTREAL.—Power Corp.'s subsidiaries and associated companies reported power output in October of 250.7 million kw.h. This compared with 259.4 million kw.h. for the same month last year, a decrease of 3.33%

Comparative figures for the individual systems follow:

(Thousands of Kilowatt Hours)

	October 1942	October 1941
B. C. Power	69,398	63,320
Canada Northern	51,973	62,505
East Kootenay	11,369	10,746
Northern B. C. Power	1,919	1,380
Southern Canada	21,997	21,909
Winnipeg Electric	94,113	99,448
	250,769	259,308

Elizabeth Arden Suggests
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A. *June Geranium Bath Soap*—long-lasting fragrant Bath Soap—individually boxed, 75c; 3 in a box, 2.15; 6 in a box, 4.00; Magnum size, individually boxed, 1.35.

B. *Rocking Horse*—gayly plumed wooden circus pony with a bottle of either Cyclamen, or Blue Grass Flower Mist. With Cyclamen Flower Mist, 3.75; with Blue Grass Flower Mist, 3.50.

C. *White Orchid Set*—Elizabeth Arden's enchanting fragrance of White Orchid in Flower Mist and Dusting Powder — the set, 3.25.

D. *Dusting Powders*—Ardena Dusting Powders, satin-soft and feather-light. Snowdrift or Illusion, 1.25; White Orchid, 1.85; Blue Grass, 1.85; "It's You," 1.85.

E. *Bath Gift Box*—June Geranium Soap combined with the handy Bath Mit, and a fragrant bottle of either Hand-O-Tonik, Flower Mist or Bath Oil, 3.00.

F. *Blue Grass Perfume*—Elizabeth Arden's most popular fragrance, beautifully packaged, 1.50 to 66.00.

G. *Hand-O-Tonik and Bath Oil*—fragrant creamy Hand-O-Tonik, 1.25 and 2.25; Bath Oil exquisitely perfumed—in Ambre, Pine or Carnation, 1.25 and 2.75.

H. *Velva Bath Mits*—Elizabeth Arden's bathtime favourite—ideal for tub or shower—individually boxed, 75c; 3 in a box, 2.00; and 6 in a box, 3.50.

I. *Dusting Powder and June Geranium Soap*—June Geranium Soap tied with ribbon to a box of Ardena Dusting Powder encased in a transparent arch, 2.25.

J. *Beauty Primer*—beauty care for the younger girl in a beautiful Book Box containing 8 of Elizabeth Arden's essential preparations, 6.50.

K. *Blue Grass Flower Mist*—Elizabeth Arden's sweet, fresh fragrance of Kentucky in a specially-designed pinch-bottle, 1.50; gift-wrapped, 1.75; with atomizer, 2.15; (gift-wrapped, 2.40.)

L. *Lipstick in Blue Grass Design*—lipstick case, of composition, carrying the famous Blue Grass Horse Design. In Elizabeth Arden's 4 famous shades—Victory Red, Stop Red, Magenta and Redwood, 1.60.

M. *Merry Christmas Stocking*—gay little red boot filled with Blue Grass Perfume in a transparent chimney—1-dram size, 2.25; 2-dram size (with sprinkler top bottle), 4.00

N. *Week-End Beauty Box*—in Black or Brown Alligator Grain—containing 15 Elizabeth Arden preparations—special compartment for gown and slippers, 20.00. Other Beauty Boxes from 6.50 to 32.50.

O. *Elizabeth Arden Service Kit*—for Canada's women in uniform. This easy-to-carry kit comes in Black, Army Tan and Airforce Blue leather, contains essentials for quick make-up, mirror, comb and change purse, 6.00.

P. *Blue Grass Eau de Toilette*—elegant and gay Eau de Toilette in one of the world's great fragrances, 3 oz. 5.00; 7½ oz. 11.00.

Q. *Quick Make-Up Kit*—holds everything today's busy woman needs for a quick make-up for the Elizabeth Arden Look—10 Elizabeth Arden Essentials and a stand-up mirror, 7.50.

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THE FINANCIAL POST
Canada's Foremost Business Newspaper
Toronto, December 12, 1942

Manpower Forecast: Probabilities For 1943

Labor Needs of War Industries Seen Exaggerated; Concentration Plans Mark Time; Army to Re-examine Rejectees; Coal and Lumber Critical Spots in Industry

By KENNETH R. WILSON

As Canada looks ahead to 1943 some important facts begin to emerge from the jumbled manpower muddle of 1942. Briefly, these are some of the highlights:

1. The curtailment programme for civilian non-essential industry has bogged down.

2. There will be no manpower "boss" and probably no new attempt to establish an "overall" manpower policy. By the time the cabinet makes up its mind on an overall manpower programme the war may be over.

3. Manpower needs of war industry have been definitely exaggerated. The need for new manpower in war industry in 1943 may be considerably less than was indicated by earlier estimates.

4. The immediate attack on manpower for the armed forces will be focused on the alarmingly big "pool" of men who have so far evaded the draft. There are reported to be enough men in this pool to last the army many a long day—if they can be located. To locate them and bring them into the services will be the first and most important job of the new draft machinery.

5. The other immediate manpower job is to find a relatively few (perhaps 25,000) skilled healthy males to meet the dire needs of lumber and coal mining industry. Adequate powers to do the job in coal mining have already been given the new production committee; new and sweeping regulations affecting the lumber industry are in the making. But the powers (in coal, for example) are useless unless the government makes up its mind that it is prepared to be "tough" about manpower needs. So far it hasn't.

6. National Selective Service is now getting back on the rails as an efficient, effective "employment agency" and draft machine—nothing more, nothing less. The obstructionism that plagued Elliott Little has disappeared. There is no disposition among its present administrators to bay for the manpower moon; no obstacles in the path of doing the immediate job that lies at hand; concern about the larger issues which cabinet has dallied with for nearly 40 months.

Take first, the "iron rations" curtailment and concentration of industry programme which has obviously bogged down.

Originally, it was due to doubts whether N.S.S. was capable of effecting the transfer of workers from non-essential to essential projects. Secondly, came questioning as to the real extent of the manpower shortage in essential work. Finally, it was realized that little of the manpower which could be gained from non-essential work was suited to the "openings" in war work. Coal miners and lumberjacks are rare in the jewellery trade, to quote an extreme example.

Fewer War Workers?

For one thing, industry has shown during 1942 extraordinary efficiency in production and in the use of manpower. There are reported to be ammunition filling plants that have actually been reducing staffs while at the same time increasing output. The recent conservation programme has played an important part in achieving this result — and this programme has barely started.

The availability of critical raw materials—steel, rubber, lumber, certain base metals, etc. — has placed another limitation on manpower needs that was not anticipated earlier.

All in all, the demand for new manpower by war industry is said to have tapered down to not more than possibly a few thousand a month apart from seasonal demands for loggers, etc.

Having clutched greedily at the nation's manpower resources last summer and fall, the army is now busy taking stock of its position to see what lies ahead for 1943 and what is a realistic programme in light of Canada's overall war contribution.

The three weaknesses in our draft machinery were:

1. Inadequate or non-existent records of the manpower subject to draft.

2. Weak enforcement machinery to see that calls were not evaded.

3. A medical examination procedure which provided little or no uniformity of standards as between different communities and areas.

The individuals who account for this gap form the "pool" of manpower that the new draft division of National Selective Service (which took over from National War Services as at Dec. 1) is hoping to draw on to meet present and immediate army needs.

There will be a tightening and co-ordination of records and possibly a new national registration.

There will be an overhauling of the enforcement machinery and the introduction of new centralized medical examination which, it is expected, will regrade a large number of men previously put into lower-than-deserved categories.

More for Lumber and Coal

In the industrial manpower field, the major emphasis is now on the lumber and coal mining industries. Lumbering urgently needs about 20,000 men—most of whom, it is felt, can be brought in from farms to do off-season work in the woods. Coal mining needs 4,000 men and the government has named a "big-name" production committee, with wide powers, to tackle the job.

But here again the crux of the situation is the government's willingness to require the army to release trained coal miners who are not now engaged in urgent military work provided those men are willing to return to the mines.

As for National Selective Service itself, the administrative competence of the man who is now largely responsible for its functioning—Arthur MacNamara—is widely held in high esteem. He has a long and successful record in labor administration; and is well versed in the "know how" of government departments; civil service methods and habits.

As had already been indicated, Canada will no longer have a manpower "boss" or even a pretense at one. It will have an administrative machine to handle the national manpower employment agency and the draft machinery which, under Mr. MacNamara, may become an efficient machine for tackling Canada's 1943 manpower mechanics.

Do We Want a Bigger Canada?

All Canadians were originally immigrants, even Eskimos and Indians came from Asia. Today twice as many Canadians are of European (other than French or British) stock as there were in 1901.

By W. B. MacKINNON and IAN SCLANDERS

Every Canadian wants his home town to grow, every businessman wants to increase the potential number of his customers. Every Canadian wants a bigger Canada in terms of his own immediate environment, yet some oppose immigration for the Dominion as a whole.

In the face of a united will for a greater Canada, the paradox of opposing groups on the basic question of immigration is an anomaly.

Is Canada going to take full advantage of her postwar opportunities, then every day closer victory underlines the increasing need for a definite decision, emphasizes our unpreparedness to meet this fundamental issue.

On certain basic facts there is agreement:

1. Every Canadian is an immigrant or a descendant of immigrants.

2. With the exception of the forced draught developments of World Wars I and II, every major Canadian expansion has coincided closely with a wave of immigration.

3. Seldom in the troughs between the immigration waves has it been possible to predict on what basis the next wave would be founded, what jobs would be created for the newcomers.

4. In postwar Europe there will almost certainly be found a reservoir of potential immigrants. Thousands of Europeans are bound to be sick of concentration camps and conflict, will be eager to make new and safer homes.

Also agreed is the fact that the immigration that took place in the first 15 years of this century has already greatly changed the composition of Canada's people.

Likely European

Today, your Canadian is twice as likely to be a European or descendant of Europeans as he was in 1901. Since, then, the French Canadians have dropped from 30.7% of the total to 28.22%, "British" Canadians from 57.03% to 51.86% and "European" Canadians have risen from 8.53% to 17.59% of the total. These are the figures for the 1931 census. The figures of 1941 are still only available for the maritime and prairie provinces. While they appear to confirm the trend, they are not conclusive.

Those are the points of agreement. The differences in viewpoint are profound. Here, in brief, is the argument against immigration:

Argument Against

There is no possibility of large scale agricultural development in Canada, either extensive or intensive, until our industrial life is very much more expanded.

Agricultural immigration is out of the question because there is little good virgin land left that would justify development under such market conditions as we have the right to expect.

There is a likelihood that our export markets for agriculture will be further reduced by the European trend toward self-sufficiency; that farmers would be reduced to a subsistence level.

We will have our hands full finding jobs for the two million Canadians likely to be demobilized from our armed forces and industry, let alone newcomers.

Immigration in the past has not done more than keep our population up to the level justified by our natural birth rate. Where immigrants have entered, other Canadians have left, usually for the United States. Such is the anti-immigration argument.

Depression View

At first blush, these arguments appear impressive. They have appealed because of their apparent logic, and because they appear to be based on the experience of the farmer and the workman during the depression.

Distinctly an outgrowth of the depression, the arguments assume that the conditions of the twenties and thirties can be expected to continue.

Chief anti-immigration farm argument, that our good virgin land is now all taken up, ignores the fact that much of this land is not farmed as intensively as it might be. Everything depends upon what use is made of it. If for wheat, then one family for every 300 or possibly 500 acres might not be too much. With modern machinery hand labor in growing a crop like wheat has been very small. But if some intensive crop like celery is grown, one family might have its hands full looking after five acres. No one would seriously argue that we might replace our wheat fields with celery beds, but in between these two extremes, there is a wide range of farm production, much of which would be applicable to large areas of land, still mostly producing wheat.

As a result of the 1941 census it has been estimated by the Dominion Bureau of Statistics that there are approximately 70,000 resident farm owners in Canada who have passed the age of 60 years and who have no sons or other male relatives in residence over 14 years of age. It is reasonable to assume, therefore, that in the ordinary course of events these farms will be needing new occupants.

Under these circumstances there should be no anxiety over Canada's ability to absorb colonists.

Remember that during most of the time the Canadian Pacific Railway was being built, Canada was not particularly prosperous, and had periods of fairly acute depression. Remember also that the Canadian Pacific was not planned as an immigration-booster, was originally decided upon largely as the price of bringing British Columbia into Confederation. Yet the completion of the C.P.R. undoubtedly opened the Canadian West, made possible the greatest immigration and capital import boom in Canadian history.

The moral is that predictions based on current economic conditions are not infallible, less, perhaps, for a country like Canada than for older and more settled nations. Despite the popularity of "economic planning," nothing that has happened in the depression has given Canadians the power of second sight.

To the anti-immigrationist argument that incoming immigrants are balanced by the outgoing Canadians it can be admitted that the figures are correct, but what would be Canada's plight if the immigrants had not come in to balance the outward flow? There are no figures to show that some Canadians left the Dominion because immigrants were entering. Actually, the outflow is mainly explained by the fact that United States resources were more fully developed, were closer to points of settlement than they have been in Canada. The U. S. population has steadily ranged about twelve times that of Canada, but her national income has run closer to fifteen times, largely for physical reasons.

Tide Might Turn

Immigrants may again come from the United States to Canada. In the late eighties, U. S. immigrants occasionally accounted for more than two thirds of the total migration into Canada, and again in the peak year of 1913, they accounted for nearly a third, ranked second only to the flow from Great Britain.

Implied in the arguments of the anti-immigration spokesmen is an underlying assumption of depression and nationalism. Because of these assumptions, the arguments are more of an explanation of why immigration fell to 13,904 in 1934 from the prewar peak of 382,841 in 1913 and the average for the twenties of 118,000, than a forecast of what may occur in the forties and fifties.

Their strength, and their most constructive element, is that they show what conditions do not stimulate immigration. To those favorable to immigration they drive home the fact that we must do more than open the door to attract immigration; that Canada must compete with South America and Africa for immigrants.

An accounting of our resources indicates that we have the wherewithal to draw our share of that immigration.

Geographical Comparisons

Professor Griffith Taylor, head of the department of geography of the University of Toronto, has made some comparisons between the population of Canadian areas and the population of similar areas in Europe.

He compares south Norway with its three million people to southern British Columbia with about 800,000; Germany and Poland with 450 million tons of coal and 92 million people to the prairie provinces with 667 million tons of coal and 2.4 million people; south Finland with its three million population to the sparsely populated "clay belt" in Ontario; south Sweden with six million people to the maritimes, with about one million.

With similar climate and less in resources, south Norway, Germany, Poland, south Finland and south Sweden have a total population of more than 100 millions; Professor Taylor believes Canada could support that many, though not without some scaling down in the general standard of living.

His opinion is, however, that with no deterioration in living standards, and simply by a fuller and less wasteful utilization of our resources, this country could support perhaps three times the present population.

Professor Taylor has found that his statements about our capacity to absorb more people have often been criticized on the ground that we had unemployment before the war—couldn't provide jobs for the people we already had. His answer to this is that there is little relation between density of population and unemployment; that some countries with a far greater density of population suffered less from unemployment than Canada in the depression years.

That point is perhaps the crux of the problem. Unemployment is not overpopulation — it is simply lack of jobs. And the jobs are short because of a variety of reasons, most of them, in the thirties, connected with economic nationalism and its repercussions on foreign trade—world conditions that left the Canadian economy out on a limb but had very little to do with Canada's ability to support a larger population once the economy was again in balance.

To state positively the trends

(Continued on page 17)

Social Measures in Three Nations

Here is given a comparison of major features of Britain's new Beveridge plan for social security with what is now being done along similar lines in Canada and the United States. Such comparisons necessarily must be confined to main features.

A point to remember is the distinction in all social security plans between "insurance" and what is usually termed "public assistance." The former is something in the nature of a contract to which the beneficiary makes contributions and by which he acquires "rights" to certain benefits. The latter is not something to which persons receiving benefits can claim to have any inherent "right." It is non-contributory. Here is a compilation of facts by Arthur D. Ellwood.

— Unemployment Insurance —

CANADA

Type of plan is through a Dominion Act administered with the consent of the provinces. Coverage is for all gainfully employed, earning up to $2,000 a year but excluding those employed in agriculture, domestic services, fishing, hunting, trapping or self-employed.

Contributions are made by both employer and employee with the Dominion paying administrative costs. Contributions range through eight income classes as follows:

Weekly Earnings:	Weekly Contributions Employee $	Weekly Contributions Employer $
Less than 90c. daily ...	nil	0.27
$5.40 to $7.49	0.12	0.21
$7.50 to $9.59	0.15	0.25
$9.60 to $11.99	0.18	0.25
$12.00 to $14.99	0.21	0.25
$15.00 to $19.99	0.24	0.27
$20.00 to $25.99	0.30	0.27
$26.00 to $38.49	0.36	0.27

Benefits may be drawn for a maximum period of 52 weeks, provided the beneficiary has contributed for five years and has not drawn any benefits in the meantime. Benefits vary between single persons and those with dependents and range roughly from about two thirds of earnings in the lowest income class to 40% for single persons in the highest income class covered. Actual weekly benefits payable are:

Weekly Earnings:	—Weekly Benefits— Single Persons $	—Weekly Benefits— Persons with Dependents $
$5.40 to $7.49	4.08	4.80
$7.50 to $9.59	5.10	6.00
$9.60 to $11.99	6.12	7.20
$12.00 to $14.99	7.14	8.40
$15.00 to $19.99	8.16	9.60
$20.00 to $25.99	10.20	12.00
$26.00 to $38.49	12.24	14.40

BEVERIDGE PROPOSAL

Type of plan proposed by the Beveridge report would unify all classes of social security benefits under one head, making a single collection from workers, employers and the state to cover the various types of benefits offered such as unemployment insurance, disability, old age, etc. Plan would cover all citizens outside of top income brackets. Assessments and benefits would vary according to classifications with eligible persons placed in six different classes.

Contributions would be made by insured persons, their employers and the state. Employee and employer contributions vary as between men and women and according to three age groups. For male employees 21 years of age and over, the weekly contributions would be four shillings ($0.88) and the employer would contribute three shillings threepence ($0.72); for female employees in the same age group, contributions would be three shillings sixpence ($0.78) with the employers giving two shillings sixpence ($0.56).

Benefits would be unlimited in time. For a man, his wife and two children, benefits for unemployment would be 56 shillings weekly ($12.32). Unemployment benefits would be available for other classes such as employers, traders and independent workers of all kinds, housewives and those too young to work, on a specified basis varying according to age groups.

UNITED STATES

Type of plan in use is operated by the states with the Federal Government paying administration costs, the whole tied in with the Social Security Act of the Federal Government. Majority of state laws provide coverage for all gainfully employed persons, except those in agriculture, domestic service and self-employed, and those earning more than $3,000 annually.

Contributions are made by employers through a net payroll tax of 2.7% collected by individual states and, in a few cases, by contributions from employees as well. Federal Government pays cost of administration.

Benefits are approximately 50% of regular full-time wages up to a maximum of $15 weekly. Payments in most states continue for a maximum of 16 weeks. No additional benefits are paid for dependents.

— Industrial Accidents —

CANADA

Type of plan now used leaves industrial accidents the responsibility of the provinces, resulting in eight different plans for workmen's compensation as Prince Edward Island does not make provision for industrial accidents and diseases. There is considerable variation in industrial occupations covered in different provinces.

Contributions are based on an annual assessment of payrolls. Employers are classified according to the hazard in the particular industry and rates established calculated to produce sufficient funds to take care of all accidents in the class. British Columbia and Alberta provide for worker contributions for medical aid.

Benefits for disability and fatal accidents vary between provinces, generally approaching two thirds of earnings for total disability, subject to a maximum earnings of $2,000 in all provinces except Nova Scotia and New Brunswick where it is $1,500. For fatal accidents, funeral expenses ranging from $100 to $150 are paid with compensation for dependents on about the the same basis as in total disability. Other compensation for non-fatal accidents include artificial limbs and training for new jobs.

BEVERIDGE PROPOSAL

Type of plan proposed by the Beveridge report to cover wide range of workers and to be financed outside of the single assessment applying for other social insurances.

Contributions would be by special arrangement, assessing part of the cost against all employers and workers and part levied in dangerous industries in accordance with risk.

Benefits proposed for man, wife and two children would be 56 shillings weekly ($12.32) for 13 weeks, followed by a pension of two thirds of earnings up to a maximum of 76 shillings weekly ($16.72). Comprehensive medical treatment proposed to cover hospital, dental and ophthalmic, nursing and convalescent homes for whole family and post-medical rehabilitation.

UNITED STATES

Type of plan now in use in the United States leaves industrial accident as a responsibility to individual states and all but two now make provision. Coverage usually includes same groups as unemployment insurance, excluding workers in agriculture, domestic service and those self-employed.

Contributions are by assessment on the employer either through a state fund or through a private insurer. No employee contributions are required. Rates are based roughly on the accident rate in different industries, ranging up to a maximum of about 5% of payrolls.

Benefits now offered through various state schemes are of two classes. First is medical care, sometimes unlimited but more often limited as to amounts and time. Next is cash benefits, usually ranging from one half to two thirds of wages during period of disability, with proportionate amounts for permanent disability or a lump sum grant. Death benefits ordinarily consist of payments to the widow and children until children reach 16 years of age, and are based on half to two thirds of wages earned.

— Old Age Benefits —

CANADA

No old age insurance is at present provided in Canada, only pensions coming under the heading of public assistance.

Dominion Old Age Pensions Act of 1927 sets up non-contributory scheme for persons 70 years of age or over who are British subjects, have resided in Canada for 20 preceding years and in the province in which application is made for five preceding years.

Contributions are made jointly by the Dominion and the provinces, with the former paying 75% and the latter 25%.

Benefits are set at a maximum of $20 a month to any one pensioner and, if in receipt of other income, total after pension cannot exceed $365 a year. Actual payments vary between provinces, ranging from a high of $19.18 monthly in British Columbia down to $10.63 in Prince Edward Island, and giving an average for all provinces of $16.70.

BEVERIDGE PROPOSAL

Proposed plan would substitute the contributory insurance for the existing combination of insurance and public assistance schemes. It would make all citizens eligible for pension, bringing into effect a plan which would gradually displace the existing schemes with the wholly contributory one by 1965. Pensions would become payable on retirement at 65 for men and 60 for women with casual earnings above a certain amount received after retirement entailing a partial reduction in the basic pension.

Contributions for the proposed plan would be included in the single basic assessment on worker, employer and state, as outlined under unemployment insurance.

Benefits for a man and a wife not gainfully occupied would be 40 shillings weekly ($8.80) with provision for two shillings weekly ($0.44) increase for each year of postponement of retirement after 65 for men. The full rate would be payable only after the 20 year transitional period, that is in 1965, with assistance on the means test meanwhile.

UNITED STATES

Type of plan under present Social Security Act is a national, contributory insurance scheme of the Federal Government. It covers roughly all wage earners between ages of 16 and 65 with the exception of those in agriculture, domestic service and self-employed. No income limits are imposed as a barrier to eligibility but $3,000 annually is taken as a maximum in determining basis of payments.

Contributions are made by employee, employer and the state which pays administrative costs. Present contributions are based on 3% of earnings or payrolls for both employer and employees. Employees continue to contribute up to age 65.

Benefits are in proportion to earnings and length of contributions and range between $20 and $85 a month and beginning at age 65 and continuing till death. Provision is made for continuing payment to survivors on death of monthly amounts equivalent to three quarters of the primary benefit which the wage-earner would have received for his widow and half the primary benefit for children. Top limit for family benefits may not be more than twice the primary benefit, or 80% of the worker's average wage, or $85, whichever is the least.

Public Assistance

Under Social Security Act old age pensions are payable in all states. Coverage is for all U. S. citizens 65 years of age or over not living in public institutions and able to prove need. This plan does not apply to those eligible for the insurance scheme and is classed as public assistance.

Contributions are not required from individuals, the state paying the entire cost.

Benefits are determined according to need up to a maximum of $40 monthly per person.

— Sickness and Invalidism —

CANADA

At present Canada has no state-sponsored sickness or invalidism plans in operation. British Columbia has passed an act to provide this service but it has not been proclaimed.

BEVERIDGE PROPOSAL

Type of plan proposed would extend protection to all classes for medical treatment and a funeral grant, as well as disability pensions.

Contributions again are included in the single assessment outlined under unemployment insurance and in accordance with age, sex and occupational groupings.

Benefits for a man, wife and two children would be 56 shillings weekly ($12.32), unlimited as to time and without necessity for any means test. Grants would be made to cover a considerable range of conditions such as for funerals, maternity. Funeral grants would be £20 ($88.00) for adults with smaller amounts for children. Maternity grants proposed would be £4 ($17.60) with additional benefits for a gainfully employed married woman of 36 shillings a week ($7.92) for 13 weeks.

UNITED STATES

At present there are no state-sponsored schemes for sickness and invalidism insurance in the United States.

ALLIES OVERPOWERING AXIS

S. H. Logan, President, The Canadian Bank of Commerce, Says Allies' Position Strengthened — Armament Capacity Next Year Double That of Axis

A. E. ARSCOTT, GENERAL MANAGER, STATES HALF OF CANADA'S PRODUCTIVITY FOR WAR PURPOSES

Bank's Assets at Record Peak in 75th Year—"History of Bank Part of History of Dominion"

At the Annual Meeting of the shareholders of The Canadian Bank of Commerce, held in the Head Office of the Bank in the City of Toronto, December 8, Mr. S. H. Logan, President, and Mr. A. E. Arscott, General Manager, presented the Annual Statement of the Bank's operations in the past year, together with a review of Business Conditions. Mr. Arscott's address to the meeting follows:

The Annual Statement presented to you today follows the completion of seventy-five years of our banking history. The Bank opened its doors in May, 1867, a few weeks before Confederation. As the economic life of the Dominion developed this Bank continued to share to the full in the expansion. In every section of Canada it has had an important part in the laying of the foundations of this country's prosperity and has at all times kept pace with new requirements as they have arisen. It has been said, without exaggeration, that the history of this Bank is part of the history of the Dominion.

Total Assets of the Bank at $886,660,000 show an increase over last year of $125,253,000.

Total Quick Assets are $591,303,000, or 70.79 per cent of the Bank's Total Liabilities to the Public. Our Cash Reserves included in the Quick Assets are $147,966,000, represented mainly by Notes of and Deposits with the Bank of Canada, and Notes of, Cheques on and Deposits with Other Banks, being the equivalent of 17.71 per cent of Total Liabilities to the Public.

Dominion and Provincial Securities maturing within two years stand at $252,701,000, an increase compared with last year of $153,463,000.

The balance of our Portfolio is composed of Other Dominion and Provincial Securities totalling $119,779,000, Canadian Municipal Securities $5,847,000, Public Securities other than Canadian, chiefly United States Treasury obligations, $28,799,000 and Other Bonds, Debentures and Stocks $9,823,000.

Current Loans and Discounts in Canada at $212,516,000 show a decrease of $36,609,000. This change is largely accounted for by reduced credit requirements of customers due to liquidation of inventories, which are becoming increasingly difficult to replace and, to some extent, by the Government regulations of Consumer Credit which have reduced time sales and in consequence have placed general sales volume to a larger extent on a cash basis with the result that customers of the Bank affected do not require to borrow so heavily to carry their Accounts Receivable. I may say, however, that since the end of our year the Loans have shown a good increase, represented by advances made to finance the heavy crops harvested this fall.

Total Deposits at $792,559,000 are the highest in the history of the Bank. The increase for the year was $124,334,000 and the changes in the various classes of Deposits are as follows:

Increases:	
Provincial Government Deposits	$ 9,105,000
Deposits not bearing interest	96,333,000
Deposits bearing interest	27,791,000
Deposits by other Banks	3,370,000
	$136,599,000
Less decrease in Dominion Government Deposits	12,265,000
Increase in Total Deposits	$124,334,000

In an endeavor to meet the shortage of manpower the banks in cooperation with one another have been reducing the number of branch offices.

While this is necessary in view of the present emergency we, of course, regret discontinuing branches where we have been long established, but we must do everything we can to alleviate the general staff situation which is becoming more strained through further enlistments in the Armed Forces.

BUSINESS ACTIVITY

Production in this country during the past year has greatly increased. *A hitherto unknown capacity of production was discovered as practically every form of plant and other equipment was called upon to work to the limit in a supreme effort to meet governmental requirements, until now about one-half of the country's entire productivity is for war purposes.*

Industrial production rose by nearly 20 per cent, a continued increase in war materials over-balancing a recent decline in civilian goods. According to the Bank's analysis, about 55 per cent of all industrial machinery is now on war work although even higher proportions are to be noted in respect of certain industrial units.

WAR FINANCE

The business conditions I have just outlined have a direct relation to our war finance in which we have sought to avoid the pitfalls of currency inflation and the injection of excessive credit into the economic system, which would have the same dangerous effects as currency inflation itself. The Dominion Government has wisely carried on the policy of financing war expenditures as much as possible by taxation and in providing for most of the balance by sales of Government Bonds and Savings Certificates to the public. We have every reason to be thankful that Canada has covered about half of this war's costs, by taxation and, also, that in the recent Victory Loan campaign there were approximately 2,000,000 individual investors.

A war of such magnitude as this, however, constantly develops new financial problems. *As I have already mentioned, about half of the national productivity is now for war purposes, with the balance left for civilian use, plus, of course, some reserve stocks and imports of essential products not indigenous to Canada.* Obviously, the total supply of civilian goods is much less than we have had for some years past, yet it is greater per capita than that of any other active participant in the war, except the United States.

On the other hand, the national income has steadily increased and is now, we estimate, in the neighborhood of Eight Billion Dollars per annum. This income has not only risen considerably during the war, but, also, its distribution has changed markedly. Over half of the total is in the form of wages, about 15 per cent is farm income (apart from products used on farms) and the remainder is made up of salaries, sundry items and returns on investments, the last-mentioned being not more than 10 per cent of the entire amount.

Accordingly, we are in this unusual situation—a greatly reduced supply of civilian goods and a much larger purchasing power. If the surplus income were diverted to spending instead of saving, such pressure would be exerted upon the price control system that even complete rationing of commodities might not prove effective. Indeed, conditions might be forced upon us which would make it very difficult later on to abandon production and marketing restrictions.

There is, however, a safe and profitable outlet for this surplus income, namely, in greater public investment in Victory Loan Bonds and War Savings Certificates. Though a large market for these securities has been developed, it can be extended much further afield through greater investment by those who enjoy the major share of the national income, and, also, by those with accumulated savings through their conversion into Dominion Government Bonds and Certificates which, I would emphasize, are liquid, readily-realizable securities of the highest character.

Canada entered this war financially strong and has maintained that fortunate condition through three strenuous and trying years. She can enter the postwar period of reconstruction equally sound if our people devote the largest possible proportion of their income and savings to the national war effort.

Mr. S. H. Logan, President, Reviews War Achievements, Urges Maximum Civilian Support

When we last met, Japan's attack on Pearl Harbour had just been made and consequently the United States of America were directly joined with the Allies in the war. Japan's entry greatly magnified and intensified the struggle. Her ambition to dominate all Eastern Asia and the Western Pacific area and her initial successes in this direction—probably beyond her own expectations—entailed grave naval, military and territorial losses for the Allied nations and imposed a greatly increased strain on Britain. The Allies were deprived not only of their major sources of certain strategic raw materials, such as rubber and tin and to a smaller degree of oil and rice, but no longer had the opportunity to concentrate all their strength this year on the defeat of Germany. The dispersal of the Allied forces to meet Japan's thrusts against Chinese, British and American interests and her threat to Siberia enabled Germany to renew with more assured confidence her campaigns in Russia and Africa and her attacks on the vital sea communications of the Allies.

ALLIED POSITION STRONGER

But the Axis blows have failed in their final objectives. China and Russia, fighting with indomitable courage, remain still unbeaten and continue to hold ground which the Axis powers regarded as essential for complete success of their plans. We on the other hand have made notable gains, both of military and economic character, which have greatly strengthened our position.

The heroic defense of Stalingrad, the costly defeats recently inflicted by the Soviet armies upon the Germans along the entire Russian front, the brilliant and overwhelming victories of the British in Egypt and Libya, the daring and successfully executed occupation of Northwest Africa by British and American forces, the patriotic self-destruction of the French fleet at Toulon, the successes of American and Australian naval and military forces against heavy odds in the South Western Pacific area and the devastating daily and nightly attacks by the gallant British, Canadian and American airmen upon military objectives in Germany, Italy and elsewhere—all these constitute an epic series of momentous events of the first magnitude. They seem also to mark a decisive turning point on the long road to final victory.

SOURCES OF BASIC MATERIALS

The entry of the United States into the war resulted in a tremendous increase in the war supplies and productivity available to the Allies. North America's chemical industry, for instance, which a year ago had already a productive capacity at least equal to that of Germany, France and Britain combined, has since undergone a very large expansion, as well as wholesale conversion to the production of war materials. This industry has substantial supplies of many basic materials, including vast quantities of petroleum required for mechanized war machines, synthetic rubber, explosives and many other products such as soap and processed foods. New as well as old mineral deposits are being developed in both North and South America, and the production from these can meet the Allies' needs for many materials formerly imported from the Far East, such as manganese, tungsten and tin. North Africa is also a source of war materials, notably iron, phosphates and manganese. What we have lost in natural rubber and silk, vegetable oils, spices, hemp and other Asiatic products, hampering as the lack of them is for the present, can in part be replaced from sources elsewhere by synthetics and other substitutes.

The Allies still have a large margin over the Axis group in most natural strategic materials, though this advantage is tempered to some extent by the greater distances over which they have to move their war supplies. Fortunately, we control about two thirds of this year's world production of such essential foodstuffs as grain, sugar and livestock; 90 per cent of the cotton, wool, petroleum and copper and an even greater proportion of nickel, 60 per cent of the coal and steel, as well as the preponderant share of such other vital materials as chrome, vanadium and molybdenum. Moreover, the forests of Russia and the Americas are the principal sources of wood, of which steadily increasing quantities are required for war.

A huge volume of armament is now being produced from these superior resources, fully twice as much as was the case a year ago when the Allied output was already close to that of the Axis powers. But we have not yet reached the peak of our armament production. Before long the major plant construction programme of the Allies will be completed and the whole massive war machine designed to overpower that of the Axis group will operate at full capacity—capacity about double that of our adversaries. Changes and readjustments to meet the constantly altering conditions of this war will, of course, have to be made, but our ever-increasing output is already greater than either we, or the enemy, anticipated.

WAR PROGRAMMES OF GREAT BRITAIN AND THE UNITED STATES

Full credit is due to those who have contributed to this result, whether in organization, scientific, engineering or manufacturing talent, as well as in labour, skilled and unskilled. But the highest praise should be given the people of Britain for their unconquerable spirit in resisting the enemy practically single-handed and holding him at bay until the great forces of her present Allies could be mustered and made effective. The earlier phases of the war called for a swift reorganization of British resources, the subsequent ones for the complete mobilization and use of her human, industrial and economic powers. No country, not even Germany, has enlisted in its war effort so large a proportion of its population, nor yet obtained such armament production per worker as Britain. Two out of every three British people, young children and aged persons excluded, are in the national service, either on whole or part time. *More than two-thirds of all Britain's resources are used in war production, the workers averaging 56 hours per week.* In certain vital industries the output per worker has increased as much as 40 per cent in the past year. *British production of armament is now at about the same rate as that of Germany, which has nearly double the population of the United Kingdom.* From her pool of fighting materials Britain has drawn for service abroad over one million men and more than three-quarters of her war production.

The production of war materials of all kinds by our American ally is almost four times that of a year ago. It is now the largest of any country, and about equal to that of Germany and German-dominated Europe. Over half of the industry of the United States is now on war work, notwithstanding many handicaps, such as shortages of various materials. War expenditures are at present at a yearly rate of more than 70 billion dollars, over one third of the total costs to all combatants in the conflict of 1914-18. Twelve months hence the war expenditures of the United States may reach 100 billions per annum, with a production of combat equipment double that of 1942.

CANADA'S CONTRIBUTION TO ALLIED CAUSE

Canada's armament achievements are also outstanding. When war was declared we did not have the facilities to equip fully even the few thousand men in the armed services at that time. Nothing, in fact, existed in the form of an armament industry except a small ammunition plant and some experimental operations for gun manufacture. *Since then Canada has become the third largest arsenal of the United Nations.* This remarkable transformation, from one of the countries most poorly equipped for war to a position of major importance as a source of war supplies for all the battlefronts, was possible of achievement only by utilizing industrial management to the fullest possible extent and by converting industry to tasks never previously undertaken, as well as by the most careful distribution of available raw materials. The whole programme has, indeed, called for initiative, capacity and resourcefulness of the highest degree.

Total war expenditures for the twelve months ending October, $2,781,000,000, were more than two and a half times those of the like period of 1940-41, while war production undertaken exceeded the aggregate of the preceding two years. *The total output of combat equipment of practically every type, including guns, tanks, ships, planes and ammunition of all kinds is now, however, three times greater than a year ago.* Some individual production records are especially noteworthy, such as an expansion of nearly 100 per cent in mechanical transport and one of even greater proportions (in certain types almost 100 per cent) in ships, aircraft, shells, bombs, explosives and other munitions. The output of tanks, armoured vehicles, guns and small arms rose about tenfold, although it is to be noted that part of this equipment was made in only small quantities last year. Less than one third of Canada's armament is required for the hundreds of thousands of men in her armed forces, the balance going to our Allies. Thus, Canada has this year contracted to furnish the United States with war supplies valued at nearly 900 million dollars, in addition to providing large quantities to Britain, other Empire countries and Russia.

CIVILIAN SUPPORT OF WAR EFFORT

The war machine of the Allies is now almost fully geared for action. In its first real offensive tests—those in the South Pacific, Egypt, French North Africa and on the high seas—it has proven most effective. But, while its employment must be left to political, military and naval strategists, civilians must be depended upon to keep it well manned and adequately supplied with all the materials it requires. *Indeed, civilian responsibility in this war is of increasingly vital importance, so important that the manner in which that responsibility is met will spell the difference between an early and a late victory.* The enemy's main defences have yet to be assaulted and they are so strong as to require for their destruction the full weight of the great forces the Allies are assembling, who are bound to suffer heavier losses in men and equipment and to need greater replacements than have hitherto been necessary. We take it for granted that our armed forces will meet the severe conditions of this war with courage and self-sacrifice. They, in turn, expect the same qualities from every worker, businessman and government official on the home fronts. The armies of Germany, Japan and Italy launched their war by attacks on civilians. Let us as civilians bring defeat to these aggressors by steady and full time work and all the financial support of which we are capable.

CANADIAN INCOME TAX

I turn now to a subject which, though related to what I have already said, is more strictly of domestic interest, namely, a change in our present income tax system, which I believe would help civilian morale in this country.

Under our existing system the individual taxpayer is always in debt to the Government. For many years he was called upon to pay at the end of April the tax on the income he had received during the preceding calendar year but by that date he was already in debt for the tax on four months of his income for the current year.

Before the outbreak of war, and, in fact, until the year 1941, the income tax in Canada, while substantial, stood at a level where this perpetual indebtedness to the Government did not in most cases cause any serious concern or difficulty either to the taxpayer during his lifetime or to his estate at his death. That situation has, however, changed materially.

The Dominion Budget, brought down in June this year, imposed a very sharp increase in the scale of income tax and made this retroactive to the beginning of the calendar year. The Government recognized the advisability of collecting this tax from current income and so provided that employers, during the twelve-month period commencing September 1 of this year, should deduct monthly a proportionate amount of the 1942 tax from payments of salaries and wages to their employees. With the same object individuals whose income was derived from other sources were required to estimate the amount they would receive during 1942 and to pay the tax thereon quarterly, commencing on October 15 of that year.

The effect of these changes is that individual taxpayers will not have liquidated their taxes on 1942 income until July or August 1943, by which time they will already be in debt to the Government for the taxes due on the incomes they have received during the first seven or eight months of that year, or approximately two thirds of the total taxes for which they will eventually be responsible.

Thus the tax liabilities carried over to, and to be paid from the income of, the succeeding year now amount to a formidable sum and the problem of eventual settlement must create anxiety in the mind of every taxpayer who realizes his position. The present income tax absorbs so large a share of the taxpayer's income that even after making all possible economies and materially reducing his standard of living it is quite impossible for the average Canadian to provide, out of current income, anything more than the tax applicable to one year only, and the debt carried over remains as a threat to his future solvency.

RUML PLAN RECOMMENDED

A proposal has been presented in the United States, known as the Ruml Plan, which, were it adopted here, would overcome the eventual hardship which must be faced by every individual Canadian taxpayer under our present procedure. In my opinion, therefore, the Plan (which I would stress is intended to apply only to individuals and not to corporations) deserves the most serious consideration by the Dominion authorities.

The Plan itself, as presented by Mr. Beardsley Ruml to the Finance Committee of the United States Senate, is quite voluminous and goes into considerable detail of suggested procedure which I cannot deal with here. I shall do no more than quote from Mr. Ruml's presentation one paragraph which outlines quite clearly the difficulties to which I have referred above:

"There are times in nearly every taxpayer's life when the existence of debt creates particular hardship. Every taxpayer dies some time; most taxpayers suffer at some time during their lives a decrease in income which may be very sharp, as when an individual retires, or suffers an accident, or finds his income sharply cut by general economic dislocations. A man earning $10,000 a year may retire on an income of $3,000 a year; in the first year in which he receives $3,000 he has to find the money to pay a tax on his last year's $10,000 income. When a taxpayer dies, his estate is liable for the payment of a tax on the income he received in the year of death. But in the year in which payment is due there may be no income out of which to pay the tax. The tax, if it is paid at all, must be paid out of whatever capital the decedent leaves which may seriously deplete the amount remaining for his surviving family. For many people the payment of tax on one year's income at the present high rates can be a serious problem when there is no more income coming in. The general problem which exists in peace time as well as wartime is brought into sharp focus in the case of the men who have this year entered the armed services. Many of these men will receive during this year incomes far below their 1941 incomes; but out of their small 1942 incomes they must pay a tax on the higher incomes of the preceding year. Even though collection of this tax is deferred, the debt remains."

In brief, the Ruml Plan suggests that the Government should cancel the liability of each taxpayer in so far as it relates to the income he has received prior to the date on which the Plan is brought into force, and from that date should collect at suitable intervals the tax on the income he is currently receiving. In other words, each individual taxpayer is placed on a thorough basis of "pay-as-you-go." Every taxpayer would, of course, continue to pay income tax each year, the difference under the Plan being that the individual would be paying a tax on this year's income instead of on that of last year.

The loss of revenue which the Government would immediately suffer through the cancellation of the tax debt would be relatively small, for it would be confined to the amount otherwise received from those who die or whose income drops substantially during the current tax year. Similarly the annual loss thereafter, while extending over the lifetime of the present generation of taxpayers, would in no year be formidable since it would be governed solely by the same causes which operate in the first fiscal year. Thus it would be unlikely at any time to create for the Federal authorities a serious budgetary problem. On the other hand, the loss would in some degree be offset by the larger amounts collected by way of succession duties on estates subject to those duties, for estates would not be depleted by the payment of the carryover of income tax debts which they now face.

Since we in Canada have now recognized the principle of the "pay-as-you-go" plan relative to the payment of the 1942 income tax (although the payments will come largely out of the 1943 income), we could forthwith adopt the Ruml Plan without any change in our taxation machinery and shift our taxpayers to a fully current basis were the Government to cancel the tax covering the income period from January 1, 1942 to August 31, 1942.

All payments required to be made by individual taxpayers from September 1942 on would then be considered to cover the current income period (monthly or quarterly, as the case may be) to which they relate. The taxpayer would be out of debt to the Government and would remain so.

Any subsequent change in the rate of income tax would take effect as and when promulgated. This would do away with another undesirable feature of the present system, namely, the practice of making a change in rates retroactive as a result of which individuals for a period as long as six months have been in ignorance of the amounts they would have to provide for taxes.

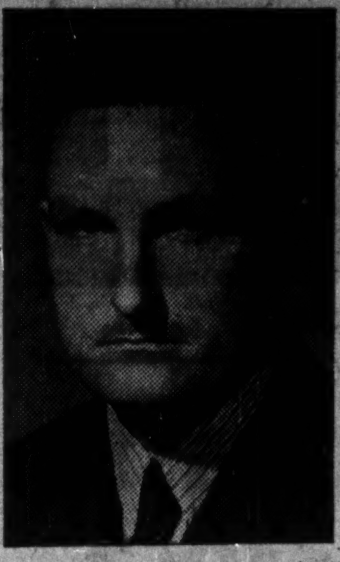
I believe with Mr. Ruml that the income tax debts of individuals constitute an increasingly dangerous weakness in our taxation system, that they cause widespread hardship and apprehension and that the cancellation of the old tax debts along the lines suggested above would be of such benefit to the morale and welfare of the country as to far outweigh any objections that can be raised against the Plan.

Montreal's Power Supply Adequate This Winter

From Our Own Correspondent

MONTREAL — Present restrictions, plus daylight saving, will enable Montreal to get through the winter without any power interruption of war work, according to H. J. Symington, Power Controller.

Discussing the general power situation, Mr. Symington said present restrictions on outdoor lighting and other non-essential projects should result in a saving of not less than 200,000 h.p.



COLONIZER

Following 15 years' experience in the immigration and colonization department of the Canadian Pacific Railway, Arthur Harrison Creighton has been appointed district superintendent of the department for Ontario. His headquarters will be Toronto.

Power Demand Sets New Peak

Firm Consumption During October Exceeds Any Month on Record

From Our Own Correspondent

MONTREAL.—Further expansion in central electric station output is reported for October.

Production totalled 3,168 million kw.h., compared with 3,140 million kw.h. in October last year.

This was an increase in firm or primary power of 214 million kw.h., or 7.8%, and a decrease of secondary power of 188 million kw.h., or 46.4%.

Firm power produced for consumption in Canada amounted to 2,828 Million kw.h. This was a new all-time record. The consumption by provinces, with comparative figures for October last year, follows:

Firm Power Consumption
(Thousands of Kilowatt Hours)

	October 1942	October 1941
Prince Ed. Island	793	755
Nova Scotia	46,996	41,954
New Brunswick	37,523	48,249
Quebec	1,324,212	1,132,800
Ontario	986,965	982,489
Manitoba	101,498	96,357
Saskatchewan	58,251	53,369
Alberta	42,724	32,680
British Columbia	229,368	221,449
Total	2,828,330	2,610,102

Setting New Peak

For the first 10 months this year, central electric stations produced 30,680 million kw.h. This exceeds the output for all of 1940 or any other preceding year on record.

It is now apparent that output for 1942 will establish an all-time record and should reach, for the full year, around 36,000 million kw.h., compared with previous all-time record of 33,445 million kw.h. in 1941.

Production of Electric Energy
(Thousands of Kilowatt Hours)

	January-October 1942	January-October 1941
Prince Ed. Island	7,731	6,804
Nova Scotia	405,725	393,466
New Brunswick	407,189	431,558
Quebec	17,150,588	14,280,275
Ontario	8,396,531	8,000,652
Manitoba	1,305,595	1,203,275
Saskatchewan	521,542	488,607
Alberta	330,398	250,642
British Columbia	2,155,258	1,985,299
Total	30,680,557	27,040,578

Canadian Wirebound Boxes has declared an extra dividend of 12½ cents a share on account of arrears on its class A stock, payable, along with the regular quarterly dividend of 37½ cents a share, on Jan. 2, 1943, to shareholders of record Dec. 15. After giving effect to the latest declaration, arrears on the class A stock will amount to $1.37½ a share.

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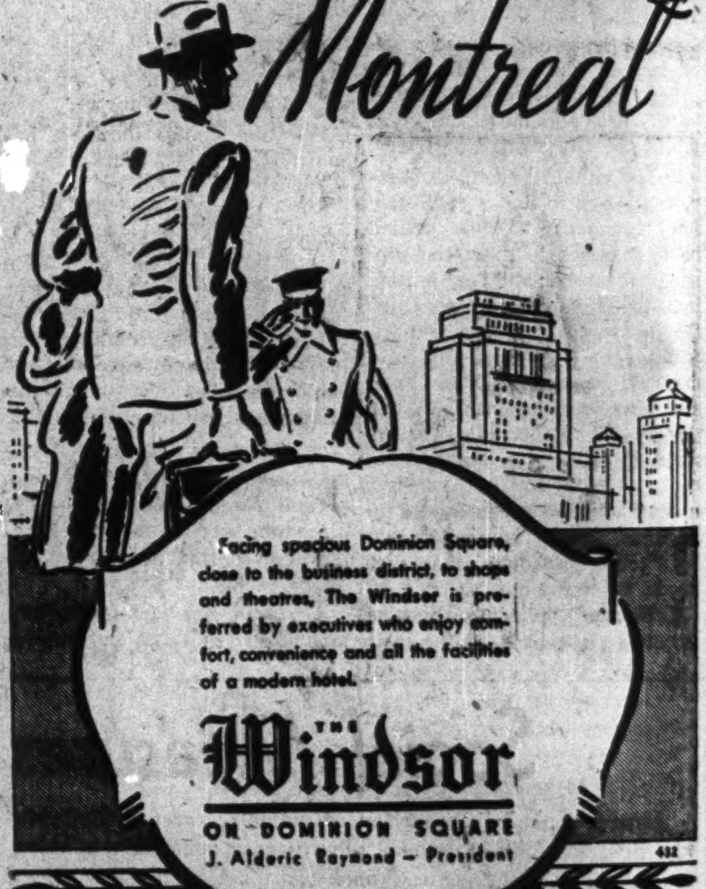

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LONDON CALLING

WRITTEN EACH WEEK EXCLUSIVELY FOR THE FINANCIAL POST BY *Adelphi*

LONDON.—The inhabitants of the British Isles are experiencing something of a "hangover." The victories in the desert, the successful Anglo-American landings in Africa, the rallying of Giraud and others to our cause and the ringing of the church bells by order (not a very clever idea) all induced a feeling that the war was nearing its end. Now the grey dawn has come again and the rosy dreams of the night before seem a little foolish.

Nevertheless the very fact that these victories have taken place has had a sharp effect on the political and national outlook. In Parliament there has been a noticeable revival in the Tory ranks. For reasons which need not be discussed here the Tories have had all the blame for the blunders of the years between the two world wars, and have had to endure the charge of unpreparedness.

As the long series of disasters unfolded themselves from Singapore to the fall of Tobruk the Tories were so much on the defensive that they practically admitted that they were miserable sinners and began to say that in the great new world to follow the war all class distinction would go, profits would be limited and the only idea of the rich and powerful would be to share the school, the workshop, and the chapel with their fellow man. In fact the poor Socialists were left with nothing to offer. The Tories at the penitent bench had taken their very vocabulary from them.

Then came the sensational news of Egypt and Africa. It synchronized with the King's speech at the opening of Parliament which always provides a prolonged debate where M.P.'s can air their views on many subjects. No longer were the Tories on their knees or covered in sackcloth. Instead there was the old glint in their eye as if to say: "Who gave you the ships, the airplanes and the tanks? What class of society gave you Alexander and Montgomery? What party gave you Churchill?"

* * *

Secure in Slavery?

It was left to Austin Hopkinson, an Independent Tory and a considerable industrialist, to say: "There is only one way you can guarantee men against want and unemployment and that is by making slaves of them. Slaves are never unemployed. To achieve these things you would have to take from a man his right to choose where he would work or how he would work. He could not change his occupation or adventure anywhere. I tell you that the young men who are fighting today don't want the sterile, frozen hell of Socialism. They want opportunity, not the security of slaves."

The Socialists listened aghast. The soft-voiced Hopkinson was blowing their bubbles away and they did not know how to recover them. An extraordinary man, this lean, philosopher-industrialist with his contempt for fools, his occasional bitterness and his odd gentleness. Lord Beaverbrook is his favorite target. "Big Business" is his next. After that it is the Socialists he dislikes most.

His attacks on Beaverbrook have been so venomous and unfair that even the Tories, who have small reason to love Max, have raised their voices in protest. In fact there are times when Hopkinson seems driven by a bitterness that almost swamps his reason.

* * *

Battle of Beveridge

Lord Camrose's "Daily Telegraph is getting some hard pounding just now. His Lordship, himself, is in America but knowing how closely he keeps in touch with his newspaper I can imagine how distressed he will be. It all arose out of an interview which a "Telegraph" reporter had with that supreme compiler of reports, Sir William Beveridge.

A "Daily Telegraph" reporter saw Sir William and quoted him as saying: "My report will carry us half way to Moscow." Beveridge promptly issued a denial which the stately "Telegraph" published without comment or withdrawal.

It was left to Tom Driberg, the "Daily Express" journalist who recently became an M.P., to raise the matter on the floor of the House. Seldom has any newspaper man attacked a newspaper with such violence. He declared that this was yellow journalism at its worst, transcending even the records of William Randolph Hearst. He said that Beveridge only saw the reporter on the understanding that she (it was a woman) wanted just to make a word picture of him at work.

Personally, I regard it as much ado about very little. I cannot see any great harm in the words "half way to Moscow." What is more they would be in keeping with Beveridge's whole career. As head of the London School of Economics he was always a pronounced Left Winger.

* * *

Sir Stafford Stays

Aberdeen University has chosen Sir Stafford Cripps to be its Lord Rector for the next six years.

The choice fell on the thin-necked Englishman rather than Lady MacRoberts or Sir William Dobbie, the heroic former Governor of Malta.

They are an extraordinary race, the Scots. In Glasgow the other day I saw in huge chalked letters on the side of a building the words: "To hell with England." Then Aberdeen chooses an Englishman in preference to two Scots.

Cripps is not resigning from the government despite my repeated forecasts to that effect. Perhaps as a man of no party he does not like the idea of walking alone in the political wilderness.

* * *

Sir Samuel Delivers

What is the mystery of General Franco?

The Germans are worried about him. They say that he is ungrateful, that he will not even concede them naval and air bases. What is more, they say that he will fight if the Germans try to enter Spain. In short he is accused of having fallen under British influence.

A friend of mine, just returned from Madrid, tells me that there is a marked change in the attitude of the many Germans already there. No longer do they greet each other in public with the Nazi salute, and no longer do they talk loudly in German in public places. The bombast has gone out of them.

There is no question but that Sir Samuel Hoare has done a fine job as British Ambassador. I met him on the morning he left to take up his post in the summer of 1940. He had no illusions about his task or about the value of the hand he had to play.

Canada Spends Daily $9.6 Millions For War

October Expenditures Bring Billion Dollar Gift Close to Exhaustion; Month's Deficit Totals $153.5 Millions

During October Canada furnished another $120 millions to Britain under the United Kingdom War Financing Act, bringing the total to $828.9 millions, or some 82% of the billion dollar gift.

War expenditures during the month, plus the latest installment on the gift to Britain totalled $296 millions, an average of close to $9.6 millions a day.

Revenues in October were almost doubled from a year ago to $203.9 millions, due largely to an expansion of $97 millions in income tax and excess profits tax receipts.

Expenditures during the month at $55.8 millions were $8 millions higher than in Oct., 1941, this being mainly accounted for by provision of $6.5 millions as compensation to provinces under the taxation agreement.

The Dominion reported an operating deficit for the month of $153.5 millions, as compared with a deficit of $60.6 millions in Oct., 1941. For the first seven months of the current fiscal year the deficit totalled $1,101.6 millions as compared with a deficit of $39.1 millions for the same period of last year.

October

	1942	1941
	$000	
Receipts:		
Customs	9,233	15,116
Excise duties	15,765	9,959
Ex. taxes, sales, etc.	43,050	42,318
Inc. & E. P. taxes	126,462	29,639
Post office	3,400	3,100
Sundry	3,831	2,802
Special	176	1,881
Total	203,918	104,817
Expenditures:		
Ordinary	55,801	47,913
Transport	559	344
Relief	4,641	6,015
War	175,988	110,784
U. K. war fin.	120,000	......
Govt. ents.	412	375
Other	4	23
Total	357,407	165,456

Seven Months Ended October

	1942	1941
	$000	
Receipts:		
Customs	69,216	81,366
Excise duties	79,974	62,080
Ex. taxes, sales, etc.	264,632	243,586
Inc. & E. P. taxes	798,489	373,162
Post office	24,140	22,854
Sundry	32,766	17,156
Special	3,577	2,369
Total	1,272,794	802,575
Expenditures:		
Ordinary	309,850	218,200
Transport	2,256	1,879
Relief	11,023	13,432
War	1,221,736	607,398
U. K. war fin.	828,928	......
Govt. ents.	643	606
Other	31	178
Total	2,374,471	841,693

Dairy Corp. of Canada Ltd. shares were called for trading on the Toronto Stock Exchange Nov. 26. The company's authorized capital is 7,156 $50 par preference shares, all of which are issued, and 100,000 no par common shares, of which 85,456 8/10 shares are issued. Head office of the company is in Toronto.

Sales for the year ending Mar. 31, 1943, are officially estimated at $3.5 millions compared with $3.1 millions in the 1941-42 fiscal year. Subsidiary bonded indebtedness now stands at $1,113,975 against $1,010,475 at Mar. 31, 1942. Balance of bank loans of $75,615 at the end of last March has been accomplished.

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New Wartime Regulations

Post Summary of Latest Rulings from Ottawa

HUMIDIFIERS. W.P.T.B. order A-486, Nov. 20. No person shall manufacture any industrial humidifier except with written permission. Adm. of Heating and Plumbing, E. J. Laidlaw.

* * *

SHOE MACHINERY. W.P.T.B. order A-489, Nov. 21. No footwear manufacturer shall install machinery for manufacturing footwear by a process differing from that already effective in his plant, unless he secures written authority. Adm. of Footwear, Louis Daoust.

* * *

ICE DELIVERIES. W.P.T.B. order A-491, Nov. 25. Ice deliveries on Sunday are banned; ice must not be delivered to householders more than three times a week; ice may not be delivered to commercial establishments more than once a day. After Dec. 28 no one shall operate a motor vehicle to deliver ice unless the quantity delivered in a week by such a vehicle is at least 21,000 lb., or a horse drawn vehicle unless deliveries each week are at least 15,000 lb. Adm. of Services, James Stewart.

* * *

BRISTLES AND BRUSHES. W.P.T.B. order A-493, Nov. 25, regulates the use of bristles in brushes, revoking an earlier order. Adm. of Furniture and Brushes, James E. Ferguson.

* * *

PAINT AND VARNISH BRUSHES. W.P.T.B. order A-494, Nov. 25, schedules the sizes and types of paint and varnish brushes which may be manufactured and fixes prices. Adm: of Furniture and Brushes, James E. Ferguson.

BAKERS' DELIVERIES. W.P.T.B. order A-492, Nov. 25. No baker shall operate a motor vehicle to deliver bread and bakery products unless the total sales, exclusive of all discounts, or products delivered by such vehicle amount to $225 per week. A horse drawn vehicle may not be operated unless weekly sales delivered by such vehicle are $175. There are certain exceptions. Adm. of Services, J. Stewart.

* * *

TYPEWRITERS. W.P.T.B. order A-496, Nov. 26. This makes amendments in the order respecting the sale of used typewriters. Co-ordinator of Metals, D. P. Cruickshank.

* * *

LEATHER SOLES. W.P.T.B. order A-497, Nov. 26, reserves for the department of munitions and supply and the department of national defense certain types of inner and middle soles.

* * *

PETROLEUM COKE. W.P.T.B. order A-495, Nov. 27. No person shall purchase petroleum coke without written permission; nor shall it be used for any purpose without permit. Deputy Coal Adm., F. G. Neate.

* * *

WOOD-FRAME BED SPRINGS, WOOD-FRAME STUDIO COUCHES, METAL FRAME BEDS WITH COMPOSITE PANELS. W.P.T.B. order A-500, Nov. 30. Because of restrictions in the use of metal, new types of bed springs, studio couches and frame beds are now being manufactured. The order provides that before these are offered for sale, maximum selling prices shall be approved. Dept. Adm. of Supplies, F. E. Hall.

Investment Notes

Trans-Canada Shares, Vancouver investment trust, paid a final 1942 dividend of 24 cents a share on Dec. 1, 1942. Added to the June payment, this will bring the total 1942 dividend to 53.57 cents a share. This will compare with 53.2 cents paid for 1941 and 54.6 cents for 1940.

* * *

British Columbia Pulp & Paper's plan to take care of interest arrears has been approved by holders of the 7% general mortgage bonds. The plan provides that interest arrears will be paid 40% in new bonds and 35.22% in cash.

* * *

Montreal Stock Exchange and Montreal Curb Market report that the volume of trading in industrial shares during November again recorded a substantial gain. There were 245,553 shares traded during the past month, compared with 202,197 in the previous month and 204,417 shares in November, 1941.

* * *

Montreal Stock Exchange and Montreal Curb Market members report borrowings registered an increase during October for the second month in succession. The greater activity in the market resulted in boosting loans to over $5¼ millions, an increase of $227,750 from the figure reported at the end of September.

* * *

King Edward Hotel trustee, National Trust Co., has received a court order authorizing a first and final distribution of $30 on account of principal for each $100 principal amount of 7% refunding bonds of the hotel. It is expected that printing of the necessary forms will be completed in time to make the funds available for distribution by Dec. 10.

* * *

Great Lakes Paper Co. is paying a dividend of 75c a share on its classes A and B preference stocks on Dec. 31, 1942, to shareholders of record Dec. 21. This brings the total dividend for 1942 to $1.50 a share, same rate as paid in 1941. After giving effect to the December payment, arrears on both classes of stock will amount $9.25 a share, 50c a share more than at the end of 1941.

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Inter. Hydro Electric

I have a client holding a $1,000 debenture of International Hydro-Electric System. The literature handed out regarding the liquidation and dissolution indicates the debentures will be paid in full with interest. Would you please explain, in view of this, why the bonds are quoted so low?

The reason for the low price of International Hydro-Electric System's 6% debentures is simply that there is no assurance these debentures will be paid off at par under the plan of dissolution which has been submitted to the Securities and Exchange Commission for approval. It is true the book value of assets is considerably in excess of the par value of the debentures, but there is no certainty that the company will be able to realize anything like the full value of holdings.

Under the plan, it is proposed to distribute the system's holdings of common stock of Gatineau Power Co. to the debenture holders on the basis of 54 shares for each $1,000 debenture. At the current market value of Gatineau common, this would mean a distribution of $40.50 per $100 debenture. This contrasts with the current market of 50 on the debentures. As regards the other assets, principally the holdings of New England Power Association, Hudson River Power and System Properties Inc., the company reports these assets cannot be disposed of in the present form either by sale or by distribution in kind.

The assets, other than Gatineau Power, common, have a book value of around $75 millions. If your client purchased the debentures at or around 50, then in order to get back his full investment, he is gambling that these assets will fetch at least 10c. on the dollar. This does not seem unreasonable, but when and how these assets will be realized is another matter.

Robertson Mfg.

I understand that P. L. Robertson Mfg. Co. recently reorganized. What is the situation in this regard?

P. L. Robertson Manufacturing Co. operates in Milton, Ont., making screws, nails, wire, tacks, rivets and similar items. Quite recently it completed a recapitalizing plan whereby its 3,000 common shares at $100 par were exchanged on the basis of two new preferred shares and 20 new common shares for each old common share. A limited public offering of the new stock was made.

Dividends have been started on the new stocks with 62½ cents a share paid on the preferred Oct. 1 and 25 cents a share, plus an extra 25 cents, on the common. The company reports earnings over the past six years cover the dividend requirements on its new preference shares by a wide margin and announces that earnings for the first six months of this year compare favorably with those of the corresponding period of a year ago.

It has a standard profit base under the excess profits tax of $203,538. On the new scale of taxation the company would be limited to 70% of its standard net profit which would be equivalent to $142,448 without making any allowance for the refundable portion of the tax. This would permit it to cover dividends on preferred and common by a good margin.

Alberta

Is there any change in the financial status or outlook in the affairs of the Province of Alberta? The bonds have risen in price since the first of the year.

No material change has taken place recently in the debt situation of Alberta. There was a meeting earlier this year between representatives of the province and the Bondholders Protective Committee. The committee proposed refunding of Alberta's entire debt on a 4% basis. However, this proposal was not suitable to the province and conversations were terminated. Since that time there has been nothing further done toward bringing Alberta out of default.

Improvement in the market price for Alberta bonds appears to be largely attributable to the more stable financial conditions that Canadian provinces are enjoying under their tax agreements with the Dominion Government.

Consolidated Paper

Will you give me your views on Consolidated Paper 5½% bonds. I am thinking of making a small investment in this security for a long hold.

Consolidated Paper bonds are what might be described as a businessman's investment. At the current level of 60½-62½ they return a comparatively high yield. Financially this company has worked itself into a strong position over the past several years. Large bank loans have been liquidated, and between 1936 and 1941 net working capital has improved nearly $17.5 millions. Earnings available on the bonds also have improved. While the outlook for the newsprint industry is somewhat indefinite because of conditions arising out of the war, it is felt that with the volume of business available, the company will be able to maintain interest, while the strong financial position which has been built up should enable it to weather the postwar rehabilitation period.

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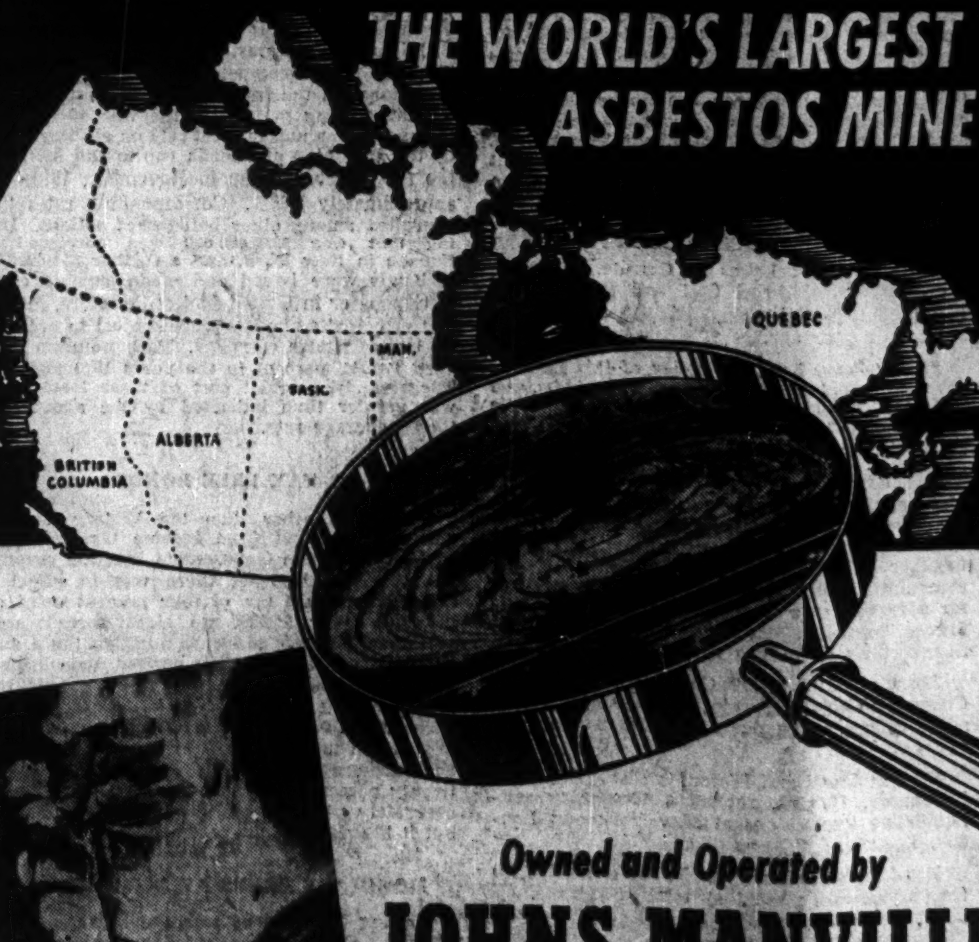
Some men see the future as a continuously hazy horizon; meriting no immediate thought or planning. These men fail to adopt a plan of saving. The results are—insecurity, unhappiness, worry.

Secure your future by planned saving with a Bank of Toronto savings account. Emergencies may arise whereby those thrifty dollars will save the day. A business opportunity may present itself, which will start you on the road to independence. In the meantime you will be able to help your country as well as yourself by buying interest-bearing Victory Bonds. Become a planned saver. Open a savings account now—today—at The Bank of Toronto.

55-42

THE BANK OF TORONTO
Incorporated 1855

RIGHT HERE IN CANADA...
THE WORLD'S LARGEST ASBESTOS MINE



● Spectacular war service is rendered by J-M asbestos clothing, as shown in this "shot" from the movie, "Ships with Wings". Not so spectacular, but vital, are such products as J-M Asbestos Packings, without which the wheels of Canadian industry would come to a jarring stop.

Owned and Operated by
JOHNS-MANVILLE

● Just as wartime needs for fireproof materials of all kinds magnify the demand for asbestos, "The Magic Mineral", so they magnify the vital importance to Canada of her outstanding world leadership in asbestos production. You get an idea of what this leadership means when you stand on the edge of the vast Johns-Manville mine at Asbestos, Que.—a tremendous pit, more than half a mile across and hundreds of feet deep. Here, at the world's largest asbestos mine, and at the nearby J-M factory and mill, 1,569 Canadian workers are busy right around the clock, seven days a week, producing fireproof asbestos and asbestos goods for the armed services, for war industries, for wartime construction projects, and for our allies. If you have an emergency plant expansion in the offing, call your nearest J-M office for prompt, helpful service.

ASBESTOS
MONTREAL

MINE AND FACTORY AT ASBESTOS, QUE.

ST-4

CANADIAN JOHNS-MANVILLE CO., LIMITED
MONTREAL TORONTO WINNIPEG VANCOUVER

JOHNS-MANVILLE J-M PRODUCTS
CANADIAN JOHNS-MANVILLE

Through The Low Rate Of Bond Financing And The High Rates Of Taxation Incomes Have Been Reduced To A Minimum

72nd Annual Meeting of Shareholders

THE DOMINION BANK

The farmer and farming are always prime factors in our national life, says President C. H. Carlisle.

Dominion Bank is in a very strong and liquid position.

General Manager Robert Rae reports investments highest in Bank's history.

At the 72nd Annual Meeting of The Dominion Bank held at the Head Office in Toronto on Wednesday, December the 9th, the President and the General Manager addressed the Shareholders.

The President, Mr. C. H. Carlisle, was in the Chair.

The Address of Mr. Robert Rae, General Manager

The Secretary of the Meeting has read the statement of the Bank's profits and the disposition made of them. For the first three quarters of the year the dividend was paid at the usual rate of 10% per annum, but owing to new Government legislation, and increased operating costs, your Directors decided, commencing with the quarterly dividend payable on November 1st, to reduce the rate to 8% per annum. After providing $665,000 for the payment of dividends, making a contribution of $105,000 to the Officers' Pension Fund, paying Dominion Government taxes totalling $537,246—up $88,242 from the previous year—the sum of $150,000 was written off Bank Premises Account. The balance at credit of Profit and Loss Account stands at $866,501.

You have before you a copy of the Bank's Annual Statement submitted today, and I shall now refer to the principal items:

Notes of the Bank in circulation were $3,519,749, a decrease of $669,790, reflecting the reduction of 10% required by the Bank Act.

DEPOSITS BY THE PUBLIC

Total deposits amounted to $184,639,771, an increase of $41,488,237 compared with a year ago. This increase was — $34,809,987 in deposits by the public not bearing interest; $5,391,899 in deposits bearing interest and $1,286,351 in Dominion and Provincial Government deposits. The increase in non-interest bearing deposits is due to larger balances maintained by a number of our more important customers, evidencing marked liquidity in their affairs.

Deposits by and balances due to other Chartered Banks in Canada and Banking Correspondents elsewhere than in Canada (principally in England and the United States) total $3,739,801, an increase of $474,810.

Acceptances and Letters of Credit outstanding total $4,759,996, and are $2,430,769 higher than a year ago, reflecting increased business activity.

STRONG AND LIQUID POSITION

Cash Assets, $39,791,426, are equivalent to 20.66% of the public liabilities, and readily realizable assets, including Government, Municipal and other bonds, and Call and Short Loans amounted to $130,460,734, or 67.71% of the liabilities to the public. These figures show that your Bank is in a very strong and liquid position.

THE BANK'S INVESTMENTS

Investments in securities were the highest in the history of the Bank and totalled $87,168,852, compared with $42,648,169 a year ago. Of the total, $83,632,408 is in Dominion and Provincial Government securities, and includes $33,355,000 Dominion of Canada ¾% Deposit Certificates—our share of special financing arranged during the past summer between the Government and the Banks. Since our books were closed $10,040,000 of these Certificates have been retired. These investments were entered in the Statement at less than the market prices prevailing on the 31st October, 1942.

COMMERCIAL LOANS

Call and Short Loans in Canada, $1,046,618, decreased $460,416, and Call and Short Loans Elsewhere than in Canada, $2,271,000, are up $403,299 from a year ago.

It has always been the policy of this Bank to develop a sound commercial loaning business, and the total loans in this category $70,495,711, while down $8,321,687 from the 31st October, 1941, may be considered satisfactory.

The change-over from ordinary business to war work by many industrial organizations, with the accompanying increase in volume, has placed them in a very much stronger cash position. This, together with the smaller inventories of our merchants, explains the decline in the demand for advances; as a matter of fact, many of our former borrowing customers are now able to finance their operations without aid from us.

Loans to Provincial Governments, and to Cities, Municipalities, etc., $837,879, show but slight change, being down $112,879 from a year ago.

Current Loans and Discounts Elsewhere Than in Canada, $279,941, represent temporary self-liquidating transactions at New York and London, England.

Non-Current Loans, $130,463, are down $15,700 from a year ago, when they totalled $146,165.

BANK PREMISES

At the end of the year, Bank Premises Account amounted to $5,233,625, a decrease of $153,306. Minor repairs only were made during the fiscal year.

In conformity with the policy of the Banks in an effort to conserve manpower, we discontinued the following Branches, in most cases transferring the business to other Banks and taking over, on a reciprocal basis, that of their closed offices at other points: Boissevain, Man.; Brooklin, Ont.; Porcupine, Ont.; Rosseau, Ont.; Woodstock, Ont.; Toronto—Bay and St. Albans Sts., Danforth and Leyton Aves., Gerrard St. and Coxwell Ave., Mt. Pleasant Rd. and Hillsdale Ave.; Hamilton—King and McNab Sts.

THE STAFF

In regard to the Staff, I may say that 540 of our men and women, at great personal sacrifice, are now on active service. With deep regret, I have to report that our record of casualties is increasing. Up to the 31st October last, eight of our men had lost their lives on active service, three had been reported missing and three were prisoners of war. I feel sure that the Shareholders of the Bank will join us not only in sympathizing with the relatives of those who will not return, but in recording our pride in the achievements of those men and the records they have left behind them.

The members of London, England, Staff continue to perform their duties cheerfully and loyally under the inevitable strain of wartime conditions.

Our Staff now numbers 1,477, of whom 805 are women. Special credit is due to the latter for the efficient manner in which they have performed their varied duties, in many cases after only a short period of training. Enlistments have been so heavy that we have had great difficulty in maintaining our usual standard of service, but our Staff endeavour from day to day to overcome the difficulties which beset them and I should like to record my personal appreciation of their services.

AN ALL-OUT EFFORT

We all have reason to be thankful for the successes gained by the Allied forces in Russia, North Africa, New Guinea and the Solomon Islands and trust that the turning point in the war has been reached. Meantime, it behooves us all, whether in the armed forces or in civilian life, to do our utmost for the cause for which we fight. The Dominion Bank will continue to do its part in the all-out effort now being made to achieve Victory.

The Address of the President, Mr. C. H. Carlisle

The uppermost thought of the Canadian people is the successful prosecution of the war — its final outcome, its effect on us as individuals and on our country as a whole. We have dedicated ourselves, our industries, our enterprises, our all, to this end. We have furnished, and will continue to furnish, great quantities of food, motor-trucks, tanks, planes, guns, ships, ammunition and about every other kind of war equipment. We have furnished money in such gigantic amounts that only few, if any, can understand or visualize. The duty of repayment will be the heritage of two, three or more generations that are to follow us.

BANK'S OPERATIONS GREATLY INCREASED

War necessarily changes our customary way of doing things. This not only applies to us as individuals, but to business in all of its different activities — banking being no exception. Due to the war the Bank's operations have greatly increased in volume and variety; its cost of operations has increased; its rate of income has decreased; from the normal standard, the number of men employees has decreased thirty-seven per cent. — they have been replaced by girls and women who have had to be trained for the work to be done. Through increased volume of business and rigid economy we have been able to offset some of our disadvantages, to the extent that we present to you the fiscal statement revealing such value that we trust it merits your approval.

A COMPARISON OF WAR INTEREST RATES

It may be interesting and also informative to make a few comparisons of items of major importance in the last war, the present war, and the intervening period. In the war of 1914-1918 the average annual interest rate on all borrowings by the Dominion of Canada (up to and including the final Victory Loan in November, 1919) was approximately 5.35%. Corresponding rates then prevailed among other belligerent nations. During that war $220,000,000 was borrowed by Canada in New York, and a further $150,000,000 of bonds were issued and made payable either in Canada or in United States; therefore, interest and principal payments were subject to premium on United States currency. This premium averaged twelve percent in the years 1920 and 1921. Therefore, the actual cost of these loans to us was greater than indicated by the above-mentioned average rate.

TAX FREE BONDS

All issues other than the Victory Loan of 1919 were exempt from income tax, causing a substantial loss in Government taxation revenue. In 1920, for example, there was in effect in Canada a normal tax of four percent upon net incomes below $6,000 and eight percent upon net incomes above $6,000; in addition there were surtaxes ranging from four percent upon incomes between $10,000 and $12,000 to sixty-four percent upon the portion of an individual's income exceeding $500,000. These tax-free bonds gradually passed into the hands of those with substantial incomes who paid a premium as high as twenty percent for them. There is no method to accurately ascertain the loss in taxation revenue, but it is evident it was quite material.

MONETARY RATES AT ALL-TIME LOW

During the present war the average rate of interest on Dominion of Canada public and bank borrowings, including Treasury Bills, is less than 2.20%. A comparison of this rate with the 5.35% rate of the last war—which does not include the cost of exchange or the loss due to the non-taxable feature of the loans — shows a very striking result: that is in the last war $5.35 financed $100.00; in this war it finances $243.18, or, at the same cost we can currently finance an amount greater by one hundred and forty-three percent. There are two principal causes for the present low rate of our recent financing: first, monetary rates over quite a period of time—both in the United States and Canada—have been at an all-time low and, second, compulsory Governmental control of interest rates through the Bank of Canada.

INFLATION DISRUPTS OUR ECONOMIC CONDITIONS

The aftermath of inflation is a painful readjustment to normal of our distorted conditions. A brief review of the last three inflationary periods likely would be of assistance to us in evaluating our present and postwar conditions.

The period 1914-1920 shows a rapid and fairly relative increase in wages, commoditiy and farm prices, real estate, industrial stocks, etc. The year 1920 showed an average increase on the above items of somewhat over one hundred and ten percent compared with the prices existing in 1914. These inflated conditions resulted, as they always do, in disrupting our economic conditions, creating excessive spending and waste, and establishing a corresponding debt. Many of us remember the disastrous result that followed in 1921.

PENALTIES OF INFLATION

The next period of inflation was 1924-1929. During this period prices of many items did not advance materially and some were even lower than in the previous period, with the exception of industrial stocks which, on the New York market, advanced one hundred and ninety-nine percent. The prices of industrial stocks as of August 31st last, compared with those existing in 1929, show a decrease of seventy-four percent, or, in other words, the value is only twenty-six percent of that of 1929. During the period 1924-1929 financing bore heavily on the borrower, as call loans rates reached a high of twenty percent. The inflation of the stock market drew into its net all classes of people; business was adversely affected — both domestic and foreign. The results, generally, were devastating over a period of several years—and especially to those who were responsible for the inflation.

The third period of inflation, 1939-1942. During the three-year period of the war there are two items that show rapid inflation: one is farm prices and the other is industrial wages.

FARMER AND FARMING PRIME FACTORS

The rapid advance in farm prices apparently is surprisingly high, but there are compensating conditions that must be taken into account. At the outbreak of the war farm prices were only on a parity with those of 1914. Therefore, an increase of thirty-two percent over these subnormal prices does not seem to be unjust when we take into consideration the farmer's increased costs. Labor costs the farmer twice as much, or more, than formerly. Again, the farmer has no certainty of securing experienced labor and, therefore, is in a quandary as to the stock that he may raise or the products that he may grow. This year portions of his crop remained unharvested. Farm prices should not be permitted to further increase, but Government should see to it that the farmer's costs are decreased, providing him at all times a reasonable profit. We must not overlook the fact that the farmer and farming are always prime factors in our national life. In time of war we should leave nothing undone to secure the maximum effort of the farmer.

LABOR—PRODUCTION AND WAGES

Inflation of industrial wages is creating a dangerous situation for labor and others, and must necessarily culminate in a crash as devastating as or greater than that caused by the stock speculation of 1929. At the outbreak of the war wages were at an all-time high, and have increased since then, as of September last, forty-six per cent. During the present war strikes have been too numerous and for less cause, and production unnecessarily retarded. Owing to the high wages paid and shorter hours worked, labor has been drawn from other sources—and especially from the farm to the factory — thereby unbalancing our production as a whole. A high percentage of industrial labor is employed on the production of essential war materials paid for by governments, and therefore, has little relation to normal peacetime conditions.

LOW AND ECONOMIC COSTS ESSENTIAL

Following the cessation of the war production will be governed by the ability of the consumer to purchase, and that ability in turn will be measured by the then income. We can only sell our products in foreign markets when we can offer them on a basis competitive in quality, in price and in service. Therefore, we must keep in mind that low and economic costs will be a determining factor in our volume of business.

CONSCRIPT OUR MANPOWER

Under normal conditions none of us would choose regimentation or a dictatorship, or anything that would even be similar to dictatorship, but in time of war it is difficult to keep all of our activities in a well-balanced condition; therefore, to attain the maximum co-ordination of effort and to serve our best interests, it is essential that Government should assume extraordinary powers to the end that all of our activities may be conducted equitably to the greatest benefit of all. It is quite evident that in the adequate exercise of such powers it is necessary to conscript in tis entirety our manpower, and then impartially to distribute men where their services are essentially required. Conscription does not mean that all men enter the fighting forces. Fifteen men are required for home activities to each man entering the armed forces. Those fifteen men remaining at home should be carefully selected and placed so that their efforts yield the maximum for the maintenance of those in service, and provide for our home requirements. If we are to succeed we cannot longer continue to depend on the haphazard methods that have continually thrown us out of balance. Necessity will likely compel us to make this change.

CAPITAL AND LABOR — MUTUAL AND PARALLEL

Although one may be critical of the things not well done, he may commend the things well done. History will commend the things that Canada has done well in this war, and due credit will be accorded for the efficiency of the men and women who have given their very best efforts in these times of stress, and to those who have served in the first lines of battle. It would be an empty victory indeed if not followed by a greater unity among our people, a greater recognition of equality of their rights, a compulsion of equal responsibilities; further, in a rational and successful democracy the right and responsibility of incorporated bodies—either capital or labor—should be mutual and parallel. This is a just right that Government owes to people at large.

CANADIAN ACHIEVEMENTS

War always presents a dark picture, but notwithstanding this Canadians may have many comforting reflections. Our country has an intelligent people. Our natural resources are great and are producing abundantly. Our farms this year have given us products to the value of over $1,800,000,000. Taxes have been collected in sufficient amounts to pay fifty-two per cent of our total expenditures. Since the commencement of this war we have sold, on the home market, bonds totalling over $3,500,000,000; all issues have been over-subscribed—the last one by $250,000,000. More people subscribed to the recent issue of bonds than at any time heretofore. Through the low rate of bond financing and the high rate of taxation, incomes have been reduced to a minimum. We do not complain, but we do, as a right, demand that our efforts be not impaired or frustrated by inefficiency or partiality of Government administration.

I move the adoption of the Report.

THE DOMINION BANK

Seventy-second Annual Statement

Balance of Profit and Loss Account, 31st October, 1941			$ 865,511 00
The Profits for the year ended 31st October, 1942, after making appropriations to contingency accounts, out of which accounts full provision for bad and doubtful debts has been made, and after deducting Dominion Government Taxes of $537,246.23, (of which $15,857.73 is refundable under the provisions of The Excess Profits Tax Act) amounted to			920,990 60
			$ 1,786,501 60
Dividends Nos. 237, 238 and 239 at ten per cent. per annum		$ 525,000 00	
Dividend No. 240 at eight per cent. per annum		140,000 00	
		$ 665,000 00	
Contribution to Officers' Pension Fund		105,000 00	
Written off Bank Premises		150,000 00	
			920,000 00
Balance of Profit and Loss Account carried forward			$ 866,501 60

GENERAL STATEMENT
31st October, 1942

LIABILITIES

Capital paid up			$ 7,000,000 00
Reserve Fund		$ 7,000,000 00	
Balance of profits as per Profit and Loss Account		866,501 60	
Dividend No. 240, payable 2nd November, 1942		140,000 00	
Former Dividends unclaimed		851 32	
			8,007,352 92
Total Liabilities to the Shareholders			$ 15,007,352 92
Notes of the Bank in circulation		$ 3,519,749 00	
Deposits by and balances due to Dominion Government	$ 10,532,396 86		
Deposits by and balances due to Provincial Governments	1,932,878 03		
Deposits by the public not bearing interest	83,520,890 96		
Deposits by the public bearing interest, including interest accrued to date of statement	88,653,606 08		
		184,639,771 93	
Deposits by and balances due to other Chartered Banks in Canada		2,827,331 57	
Deposits by and balances due to Banks and Banking Correspondents in the United Kingdom and foreign countries		912,469 44	
Liabilities to the public not included under the foregoing heads		776,768 41	
			192,676,090 35
Acceptances and Letters of Credit outstanding			4,759,996 45
			$212,443,439 72

ASSETS

Subsidiary coin held in Canada	$ 240,514 67		
Subsidiary coin held elsewhere	177 62		
		$ 240,692 29	
Notes of Bank of Canada	$ 3,079,393 75		
Deposits with Bank of Canada	19,602,994 25		
		22,682,388 00	
Notes of other Chartered Banks		147,445 00	
Government and Bank notes other than Canadian		102,959 24	
Cheques on other Banks		8,228,623 02	
Due by Banks and Banking Correspondents elsewhere than in Canada		8,389,318 73	
		$ 39,791,426 28	
Dominion and Provincial Government direct and guaranteed Securities, maturing within two years, not exceeding market value		59,064,358 20	
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value		24,568,050 27	
Canadian Municipal Securities, not exceeding market value		1,365,919 13	
Public Securities other than Canadian, not exceeding market value		776,093 39	
Other Bonds, Debentures and Stocks, not exceeding market value		1,394,431 69	
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover		1,046,618 13	
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover		2,271,027 76	
Deposit with the Minister of Finance for the security of note circulation		182,810 00	
			$130,460,734 85
Current Loans and Discounts in Canada, not otherwise included, estimated loss provided for		$ 70,495,711 54	
Loans to Provincial Governments		651,671 02	
Loans to Cities, Towns, Municipalities and School Districts		186,208 00	
Current Loans and Discounts elsewhere than in Canada, not otherwise included, estimated loss provided for		279,941 79	
Non-current Loans, estimated loss provided for		130,463 52	
Bank Premises, at not more than cost, less amounts written off		5,233,625 42	
Real Estate other than Bank Premises		18,483 21	
Mortgages on Real Estate sold by the Bank		23,446 93	
Other Assets not included under the foregoing heads (but including refundable portion of Dominion Government taxes)		203,156 99	
			77,222,708 42
Liabilities of Customers under Acceptances and Letters of Credit, as per contra			4,759,996 45
			$212,443,439 72

C. H. CARLISLE, *President.* ROBERT RAE, *General Manager.*

AUDITORS' REPORT TO SHAREHOLDERS

We Report to the Shareholders of The Dominion Bank:—

That we have examined the above Balance Sheet as at 31st October, 1942, and compared it with the books at Head Office and with the certified returns from the branches. We have examined the cash, and the securities representing the Bank's investments, held at the Head Office and certain of the larger branches as at 31st October, 1942, and in addition we examined the cash and the securities held at certain of the important branches during the year. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Balance Sheet discloses the true condition of the Bank and is as shown by the books of the Bank.

A. B. SHEPHERD, F.C.A.,
of Peat, Marwick, Mitchell & Co.
D. McK. McCLELLAND, F.C.A.,
of Price, Waterhouse & Co.

TORONTO, 17th NOVEMBER, 1942.

Steel Capacity Approaches A New Peak

Half Million Tons Additional Output to Show in Near Future

By STAFF WRITER

OTTAWA.—Within the next five to six months an additional 500,000 long tons of steel capacity will be added to Canadian production facilities.

This new capacity will bring Canada's total to the record-breaking figure of 3.5 million tons.

Actual output of steel ingots and castings in Canada is now running slightly in excess of 230,000 long tons a month. This is almost an annual rate of 2.8 million tons. It compares with prewar figures of less than 1.5 million tons a year. The step-up is shown in the following annual totals:

	Long Tons
1937	1,403,000
1938	1,155,000
1939	1,385,000
1940	2,014,000
1941	2,412,000
1942 (est.)	2,900,000

Two Plant Extensions

The new capacity is coming in at two plants: Steel Co. of Canada and Algoma Steel Corp. These companies divide the additional capacity about evenly.

At Steel Co. the new electric furnace will add about 130,000 tons capacity. It is expected to be in operation by Ferbruary or March.

As well, there is another 120,000 tons being added in the new Steel Co. Bessemer converter which will produce low-grade steel. It is expected to be ready about the same time as the electric furnace.

The Algoma addition is in the form of a Bessemer converter which will produce about 250,000 of new steel, some of which will be in the form of synthetic scrap for use in open hearth operations.

Delays Occur

The Algoma tonnage was to have been due in March or April but delays have occurred in getting proper labor for construction of the furnace linings. It is expected to be in production before the summer.

An additional 100,000 tons of pig iron was also added to productive capacity at Algoma last fall by the rebuilding of No. 2 furnace.

The new capacity will help Canada offset the recent cut in imports from the United States under priority restrictions. Canada's total demand for steel in 1943 is expected to remain about the same as that of 1942, about five million tons.

Imports from the United States have been in the neighborhood of two million tons annually, but were scaled down considerably under the new quarterly allocation system.

Dept. Store Sales Climb

October Increase 12% Over Year Ago; Up 13% on First Ten Months

Sales of 20 Canadian department stores in October totalled $33 millions as compared with $29.5 millions a year ago, an increase of 12%, according to the Dominion Bureau of Statistics. For the first 10 months of the year sales were up 13% over the same period of 1941.

Regional increases for October over Oct., 1941, were as follows:

	Increase October %	1st 10 mos. %
Maritimes	16	15
Quebec	13	16
Ontario	7	11
Prairies	18	11
B. C.	26	18

By departments October showed the following comparison with a year ago:

Department:	Increase %
Women's dresses, etc.	17.3
Girls' wear	21.8
Hose and gloves	11.7
Lingerie	14.3
Millinery	13.7
Men's and boys' cloth	14.2
Drugs	12.4
Piece goods	14.0
Smallware	14.8
Food	10.7
Furniture	11.5
Home furnish.	5.8
Household app.	d16.5
Hardware	d2.7
Radios	18.8
Footwear	9.4
Stationery	25.3
Others	13.4

d—Decrease.

Maximum Lumber Cut Advocated

From Our Own Correspondent

MONTREAL.—Maximum lumber production in the Maritime Provinces was urged by Major A. L. Harris, British Timber Controller and A. S. Nicholson, Associate Timber Controller of Canada, at a meeting of the members of the Maritime Lumber Bureau.

Following the meeting which was attended by over 100 lumbermen from all sections of New Brunswick and Nova Scotia, directors of the bureau and the Timber Controllers met to discuss plans. A recommendation was submitted to the British Timber Controller that the same price be paid on the Atlantic seaboard for a comparable specification, thereby eliminating existing price differentials.

U. S. Advertising Loss Less Than Expected

MONTREAL. — While October newspaper advertising linage in the United States was off 5.1% the year to date is 6.1% behind 1941 which is considerably better than most advertising managers anticipated early in the summer, says Editor and Publisher.

Effective Power Capacity Boosted 1.8 Million h.p.

From Our Own Correspondent

MONTREAL.—More than 1,850,000 h.p. of effective hydro-electric capacity has been made available since the outbreak of war, according to H. J. Symington, Dominion Power Controller. This applies only to Ontario and Quebec and if all Canada were included, the total would run well over 2 million h.p.

Some of the additions mentioned by Mr. Symington, and listed below, are not yet completed but will be available during the coming winter.

In order to reach this total, additional water has been diverted at Niagara Falls. New dams have been built on the Lievre and other rivers to increase storage facilities. Power systems have been interconnected, notably in Quebec, while old steam plants in Montreal and Westmount have been brought out of retirement and made ready for service.

Additions to Power Supply Since 1939

Ontario	H.P.
Big Eddy	10,000
Niagara Falls	135,000
" " (weir)	20,000
Barrett Chute	54,000
Welland Canal	5,000
De Cew Falls	55,000
Total	279,000

Quebec	
Beauharnois	200,000
St. Maurice Power	223,000
Shawinigan (improvements)	100,000
Shipshaw—Chute à Caron	730,000
Upper Ottawa	32,000
Maclaren-Quebec	25,000
Montreal Tramways (steam)	25,000
Montreal Power (steam)	10,000
Montreal Power (Cedars)	20,000
Power lines, etc., etc.	210,000
Total	1,575,000
Grand Total	1,854,000

Cotton Output Off

From Our Own Correspondent

MONTREAL.—Cotton mill activity in Canada last month showed a seasonal upswing, but the rate of operations continued under the level of last year.

During October, 40,553 bales were opened. This contrasted with 38,013 in the previous month and 47,794 bales in Oct., 1941. During Oct., 1940, 40,378 bales were opened.

Nfld. Completes Fish Export Deal

Arrangements have been concluded between Puerto Rico Exporters Ltd. and the United States Government for supplying stocks of Newfoundland fish to Puerto Rico. This has been the outcome of a Washington visit by R. Gushue, chairman of the Newfoundland Fisheries Board and C. B. Carter, chairman of Puerto Rico Exporters Ltd., a co-operative marketing group which holds the exclusive right to export fish from Newfoundland to Puerto Rico.

Louisiana Land and Exploration Co. reports for the quarter ended Sept 30, 1942, a net profit of $217,686 after all charges, equal to seven cents a share. This contrasts with $240,680, or eight cents a share for the same period of 1941.

Loans to Business are Lower

Chartered Bank Figures Reflect War Financing

The monthly return of the banks to the Minister of Finance at Oct. 31 shows deposits, investments and loans higher than at the close of the previous month. Deposits and investments are higher than at the same date last year, but loans are down.

The changes continue to reflect the war financing. Full effect of the Third Victory Loan, however, did not make itself felt among the banks till November, much of the financing of the bond purchases being done in the final week of the campaign.

Increase in total deposits is mainly in Dominion Government and demand accounts. Demand deposits at $1.6 billions were at a new high level, the result of money paid by the government to war industries.

A decline of $39 millions in savings deposits, due to the Victory loan, leaves them still well above last year.

Current Loans Decline

Current loans, including borrowing by investors and farmers' grain loans, were higher than at the end of September but lower than a year ago. The trend of commercial borrowing has been lower. Factors tending to curtail these loans include the increased direct government assistance to concerns engaged in war work and smaller requirements of firms making peacetime goods.

The lower demand for commercial loans has caused investments of the banks to increase $736 millions above last year. Part of this is due to purchases of the Dominion government's ¾% deposit certificates, of which it is understood some $205 millions have been redeemed since Nov. 1.

Use of Bank Credits
(In Millions of Dollars)

	October 1942	September 1942	Change	October 1941	Change
Loans	3,102.4	1,076.8	+25.6	1,270.5	−168.1
Investments	2,378.9	2,339.9	+39.0	1,642.9	+736.0
Total	3,481.3	3,416.7	+64.6	2,913.4	+567.9
Deposits	3,317.8	3,275.0	+42.8	2,727.2	+590.6
Credit index*	31.1%	30.6%	+0.5%	43.4%	−12.3%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

ASSETS

	October 1942	September 1942	Change	October 1941	Change
	$	$	$	$	$
Immediately Available Liquid Assets					
Canadian coin	6,177,084	6,909,869	−732,785	6,441,246	−264,162
Bk. of Can. notes	101,913,903	112,638,975	−10,725,072	86,421,782	+15,492,121
Bk. of Can. depos.	304,627,039	246,016,681	+58,610,358	231,791,351	+72,835,688
Bank's cash	412,718,026	365,565,525	+47,152,501	324,654,379	+88,063,647
Other banks' notes	2,186,313	2,287,201	−100,888	2,238,302	−51,989
Gold, sub. coin abd.	2,642,699	2,838,117	−195,418	2,996,265	−353,566
Foreign banks	196,692,432	186,708,064	+9,984,368	202,255,046	−5,562,614
Foreign currency	44,087,199	41,886,238	+2,150,961	33,721,038	+10,316,161
Gov. sec. short term	1,426,819,832	1,272,523,467	+154,296,365	724,178,018	+702,641,814
Do., long term	670,020,940	784,836,749	−114,815,809	682,842,925	−12,821,985
Call loans abroad	58,495,971	57,608,257	+887,714	45,653,550	+12,842,421
	2,813,613,412	2,714,253,618	+99,359,794	2,018,539,523	+795,073,889
Loans and Other Securities Other Than Those of Canadian Government					
Municipal secs.	73,022,804	73,361,264	−338,460	81,113,066	−8,090,262
Public secs.▲	123,513,695	123,779,312	−265,617	63,887,821	+59,625,874
Other secs.	85,558,797	85,389,398	+169,399	90,847,543	−5,288,746
Can. call loans	24,681,234	26,561,296	−1,880,062	37,432,281	−12,751,047
Current loans	1,007,598,156	978,147,745	+29,450,411	1,146,857,168	−139,259,012
Loans abroad	112,975,750	115,557,831	−2,582,081	131,919,945	−18,944,195
Prov. loans	4,000,092	4,503,001	−502,909	8,392,059	−4,391,967
Mun. loans	66,170,420	67,639,239	−1,468,819	77,826,714	−11,656,294
	1,497,520,948	1,474,939,086	+22,581,862	1,638,276,597	−140,755,649
Other Assets					
Non-current loans	3,954,435	4,079,664	−125,229	5,165,942	−1,211,507
Real estate▲	5,590,478	5,952,242	−361,764	6,799,388	−1,208,910
Mortgages	3,383,814	3,413,382	−29,568	3,415,058	−31,244
Premises	68,575,387	69,213,969	−638,582	69,900,628	−1,325,241
Letters of credit	109,129,530	105,842,248	+3,287,282	112,278,929	−3,149,399
Loans to comp.	10,805,746	10,964,267	−158,521	10,658,644	+147,102
Other assets	2,106,558	2,011,968	+94,590	1,889,559	+216,999
	203,545,948	201,477,740	+2,068,208	210,106,148	−6,562,200
Total	4,514,680,308	4,390,670,444	+124,009,864	3,866,924,268	+647,756,040
Note circ. dep.	4,022,204	4,019,627	+2,577	4,485,721	−463,517
Int. bank bal.	171,048,902	166,584,595	+4,464,307	159,982,421	+11,066,481
Gross	4,689,751,414	4,561,274,666	+128,476,748	4,031,392,410	+658,359,004

LIABILITIES

	October 1942	September 1942	Change	October 1941	Change
To the Public					
Circulation	70,067,807	71,296,144	−1,228,337	82,243,767	−12,175,960
Dom. Govt.	184,996,608	94,914,968	+90,081,640	220,296,198	−35,299,590
Prov. Govt.	101,101,643	116,215,886	−15,114,243	64,455,854	+36,645,789
Deposits by Public					
Demand dep.	1,609,058,654	1,526,786,001	+82,272,653	1,135,522,582	+473,536,072
Savings dep.	1,708,732,999	1,748,248,134	−39,515,135	1,591,700,076	+117,032,923
Total	3,317,791,653	3,275,034,135	+42,757,518	2,727,222,658	+590,568,995
Foreign dep.	528,345,413	517,971,119	+10,374,294	460,130,348	+68,215,065
Due to Banks Abroad, ▲Etc.					
United Kingdom	28,305,541	25,421,898	+2,883,643	19,635,511	+8,670,030
Foreign	33,415,136	33,552,816	−137,680	26,948,220	+4,466,916
Letters of credit	109,129,530	105,842,248	+3,287,282	112,278,929	−3,149,399
Other liabs.	5,163,412	5,179,685	−16,273	6,150,008	−986,596
Total pub. liabs.	4,378,316,743	4,245,428,899	+132,887,844	3,721,361,493	+656,955,250
Due bet. banks	15,070,886	11,477,259	+3,593,627	13,876,810	+1,194,076
Liability to Shareholders					
Dividends	2,192,781	1,281,626	+911,155	2,799,717	−606,936
Reserve	134,750,000	134,750,000	....	133,750,000	+1,000,000
Capital	145,500,000	145,500,000	....	145,500,000	....
Gross	4,675,830,410	4,538,437,784	+137,392,626	4,017,288,020	+658,542,390

▲Other than Canadian.

Increase Seen In Note Issue

Christmas Trade and Closing of Branch Banks Said Responsible

The statement of the Bank of Canada for the week ended Dec. 2 showed an increase in circulation of notes of over $4.3 millions. This may be largely due to the demand for cash for the Christmas trade and the tendency for people in districts where bank branches have been closed to keep more cash on hand.

	Dec. 2 1942	Nov. 25 1942
Liabilities	$	$
Capital paid-up	5,000,000	5,000,000
Notes in circ.	669,821,484	665,376,966
Rest fund	5,585,705	5,585,705
Deposits: Dom.	30,639,229	26,006,275
Banks	255,874,872	265,702,550
Other	25,627,295	25,913,481
Total deposits	312,141,396	317,622,306
All other	13,958,016	12,082,221
Total liabs.	1,006,506,601	1,005,667,198
Assets		
In Sterling & U. S.	500,907	503,437
Subsid. coin	82,685	66,566
Advances	2,250,000	3,250,000
Investments:		
Dom. gov. sh.	779,650,477	788,956,101
Other Dom. gov.	205,253,219	200,701,115
Total invest.	984,903,696	989,657,216
Premises	2,218,692	2,222,988
All other assets	16,550,621	9,966,991
Total liabs.	1,006,506,601	1,005,667,198

The Home Front

Our Health Sickens Hitler

"Keep Canada Well and Make Hitler Sick!" is the official slogan of this year's Health League of Canada financial campaign to run from Dec. 7 to Dec. 12. Simultaneous drives will be held in Toronto and Montreal, with a total objective of $110,000. All contributions received, it is emphasized, are for the furthering of various aspects of national health in the Dominion.

Much of the activity of the league, state officials, is being centred around the interest in keeping war workers in good health so that the percentage of sickness, absenteeism and lowered production in war plants may be reduced.

Allied to this is the matter of nutrition — the development of proper eating habits on the part of all the people of Canada and particularly the hundreds of thousands now engaged in war work and whose eating habits have been carefully studied. The drive is being headed by J. P. Bickell, Toronto mining executive and head of the new Victory Aircraft Corp.

Monthly Bank Clearings

	November 1942	November 1941
	$	$
Halifax	17,605,196	17,602,269
Saint John	10,902,873	9,389,469
Moncton	5,340,016	5,440,986
Sherbrooke	4,582,517	4,234,387
Quebec	28,653,492	25,467,192
Montreal	594,953,386	567,343,908
Ottawa	511,157,578	217,361,367
Kingston	3,439,721	3,469,596
Peterborough	3,474,934	3,265,798
Toronto	637,311,678	627,508,365
Hamilton	32,638,060	30,498,531
St. Catharines	6,299,911	6,388,501
Kitchener	5,355,480	5,416,573
Brantford	4,857,498	4,525,841
London	14,827,094	12,114,115
Chatham	3,486,778	3,337,573
Windsor	19,749,899	16,262,525
Sudbury	4,921,267	5,028,576
Fort William	4,973,093	4,778,569
Winnipeg	272,339,775	236,532,886
Brandon	2,727,636	2,135,520
Regina	36,092,625	25,163,902
Moose Jaw	4,132,691	3,483,024
Saskatoon	8,906,614	7,798,298
Prince Albert	2,729,816	2,486,444
Edmonton	30,396,209	25,639,560
Calgary	34,417,693	31,159,401
Lethbridge	4,707,078	3,694,641
Medicine Hat	1,975,629	1,808,161
New W'minster	4,367,085	3,969,988
Vancouver	110,117,928	91,435,354
Victoria	8,711,163	8,185,205

Germans Looting Norway's Banks

What amounts to looting of Norway's banks is being carried on by the Germans, according to O. C. Malterud, a Norwegian economist. German officials, he says, draw almost unlimited quantities of money from Norwegian banks, although there is no possibility of these withdrawals being met by the Norwegian people.

Mr. Malterud discusses these problems in a book on Norwegian economic life, "Under the Occupation," recently published in Sweden. The whole economic system of the country, he states, is threatened

Maritime Telegraph & Telephone Co. toll traffic in October aggregated 203,805 calls. This was 27,535 calls greater than the like month of 1941. All districts shared in the improvement. At the end of the month the company had 55,101 stations in service, a new all-time mark and compared with 64,791 at the close of September.

Investment Notes

C. P. R. net operating income in October reached the seasonal high for the year, but compared with the same month a year ago, recorded a decline of $219,706. This was the first decline on a year ago comparison in the past 23 months, or since November, 1940.

	October 1942	October 1941
	$	$
Gross income	22,799,232	21,576,652
Working expenses	17,081,050	15,638,764
Net earnings	5,718,182	5,937,688
10 Months to October	$	$
Gross income	209,925,848	180,034,146
Working expenses	172,201,925	144,368,587
Net earnings	37,723,923	36,565,559

* * *

De Havilland Aircraft of Canada, Ltd., has declared a regular $1.75 a share dividend on its 7% preferred, plus an extra of $1.75 a share, both payable Dec. 15, 1942, to shareholders of record Nov. 30. Arrears following these payments will amount to $54.25 a share. The company has paid $7 a share for 1940 and 1941 and this year has paid three extras of $1.75 each in addition to the regular payments. It is turning out the "Mosquito" bomber, a fast two-motored wooden plane, and is continuing its production of Avro Anson bombers. W. J. McDonough is no longer director of operations and this office has been abolished. L. C. M. Murray, a director of the company, formerly of Hatfield, England, is now in Toronto with the position of assistant to the managing director.

* * *

Dominion Stores Ltd. sales for the first half of 1942 were substantially in excess of the same period in 1941, J. W. Horsey, president, reports. During recent weeks the effect of supply shortages and narrowed gross margins has been increasingly evident.

The company continues its policy of closing stores which have failed to operate at a profit. This programme is accelerated by the growing shortage of available help. The difficulty of gearing operations to the changing conditions of war continues to increase, says Mr. Horsey.

* * *

American Cyanamid has declared a stock dividend equivalent to 75 cents per share on the class "A" and "B" common stock, payable Dec. 17, 1942, to shareholders of record Dec. 1. The dividend is payable in 5% cumulative preference stock on the basis of 1 preference share for each 13 1/3 class "A" or "B" shares held. A stock dividend of $1.25 per share was paid last year. The regular quarterly dividend of 15 cents U. S. funds on the "A" and "B" common stock is payable Jan. 2, 1943.

N. Y. Exchange Needs "Lift From Despair"

Only a renewal of public interest can "lift the fog of despair and defeatism that has enveloped the once abullient securities profession," says Washington Dodge, in a report on the New York Stock Exchange and its relations with the Securities and Exchange Commission, in the current issue of Fortune.

"War," he adds, "brought the ignominy of oblivion; inactivity in the midst of heroic activities."

The old fight betwen the New York Stock Exchange and S.E.C. has been turned to a truce that promises to bring with it something approaching a permanent peace. S.E.C. is finding its function lessening and its importance on the wane.

Seek New Customers

Wall Street men are intrigued by what the public will do with its "hard-to-spend" income, perhaps $10 billions of it next year. They are wondering whether, when warehouses are finally empty, stocks and bonds may not get a share of this pressing purchasing power. They have discovered that this new buying power is going to junior executives and foremen in war plants, to shop and tavern keepers, movie theatre operators and hotelkeepers. These are the men some brokers are looking to for the new public interest so badly needed for their business.

The commission's reform of the exchange has been completed, Mr. Dodge thinks, pointing out that "pools no longer operate; what manipulation has been caught lately was of the most petty type, and while some evidence of purposeful tipping has been found, the losers have been generally unwilling to expose their gullibility in the courts. The S.E.C. and the New York Exchange should continue at peace unless, under the temptation of grandiose markets, certain elements try to evade present rules—which is by no means unthinkable."

Still Some Conflicts

There are still conflicts between the S.E.C. and the securities business, such as those arising out of efforts to regulate business of investment firms not members of any exchange and telephone offerings in advance of prospectus.

Of immediate importance to the securities business is the problem of reconciling dwindling volume and mounting overhead. Mr. Dodge says that even the few exchange firms that claim to be making money are doing so at the expense of "prodigious declines in partners' salaries."

Many firms have found secondary distributions not through the exchange, and special offerings through the exchange, a godsend. This method of distributing large blocks of shares may also have revealed what can be done through offering larger commissions to salesmen and making a definite merchandising effort.

"The New York Stock Exchange and the Association of Stock Exchange Firms, to which belong some 340 of 557 potential members, have considered various advertising and public-relations programmes," Mr. Dodge reports. "Expense, divergent opinions, and a question as to whether anything would work at present have delayed action. The fact is that the U. S. public is rapidly becoming unsold on the conception of profitable ownership of securities.

"And today the root is sicker than the flower—foreigners trading in our stocks for the first time have been quick to sense that even in recent months there have been tremendous profit possibilities in our sensitive markets."

Weekly Bank Clearings

	Dec. 3 1942	Change Year ago	Nov. 26 1942
	$	%	$
Halifax	4,447,106	−11.5	3,690,069
Saint John	2,347,368	−7.2	2,539,017
Moncton	1,560,283	+12.5	1,132,691
Sherbrooke	1,018,849	−2.2	953,794
Quebec	6,868,313	−0.2	5,588,350
Montreal	168,097,014	−1.9	125,538,825
Ottawa	61,845,964	−7.7	61,441,287
Kingston	1,147,784	+22.7	726,717
Peterborough	926,404	+6.5	740,407
Toronto	200,194,556	+16.5	122,864,475
Brantford	1,282,334	−0.6	1,063,967
Hamilton	9,883,100	+15.8	7,693,671
St. Catharines	2,077,387	+33.1	1,550,666
Kitchener	1,546,328	+0.4	1,158,676
Brantford	1,282,334	+30.9	1,068,557
London	3,382,039	+1.3	2,915,440
Chatham	844,929	−5.8	828,886
Windsor	5,153,218	+15.9	4,501,211
Sarnia	625,869	+4.3	604,920
Sudbury	1,284,754	+1.5	1,149,618
Fort William	1,329,501	+4.8	970,702
Winnipeg	77,364,770	+10.7	62,008,357
Brandon	626,540	+13.4	524,615
Regina	7,303,702	+14.9	6,335,309
Moose Jaw	1,004,848	+10.3	860,165
Saskatoon	2,145,971	+7.5	1,893,278
Prince Albert	677,872	+5.3	641,472
Edmonton	7,803,888	+21.6	6,866,284
Calgary	8,870,851	+3.9	7,398,030
Lethbridge	841,438	+20.8	839,704
Medicine Hat	404,307	−12.9	439,190
N. W'minster	1,192,672	+19.1	1,053,927
Vancouver	33,429,723	+32.7	25,568,609
Victoria	2,100,971	−3.0	2,164,155

Staff Changes

The Royal Bank of Canada announces the following staff changes:

N. MOORE to be accountant at Ottawa.

H. W. Smith, accountant, Melfort, Sask., to be accountant, Moose Jaw, Sask.

J. D. SMITH, accountant, Renfrew, Ont., to be accountant, Brockville, Ont.

Canadian Tube & Steel—The fact that the preferred stock of this company sold at a new high of 105 this week has attracted interest. Arrears on dividends total between $35 and $40 a share. With operations at capacity, it is possible consideration is being given to a plan for cleaning up the arrears.

Canada Cement Co.'s increased scale of operations this year is reflected in the report of Quebec Bureau of Mines which shows the provincial cement output for the first 10 months of 1942 at 3,992,290 barrels, an increase of more than 500,000 barrels over the same period of last year.

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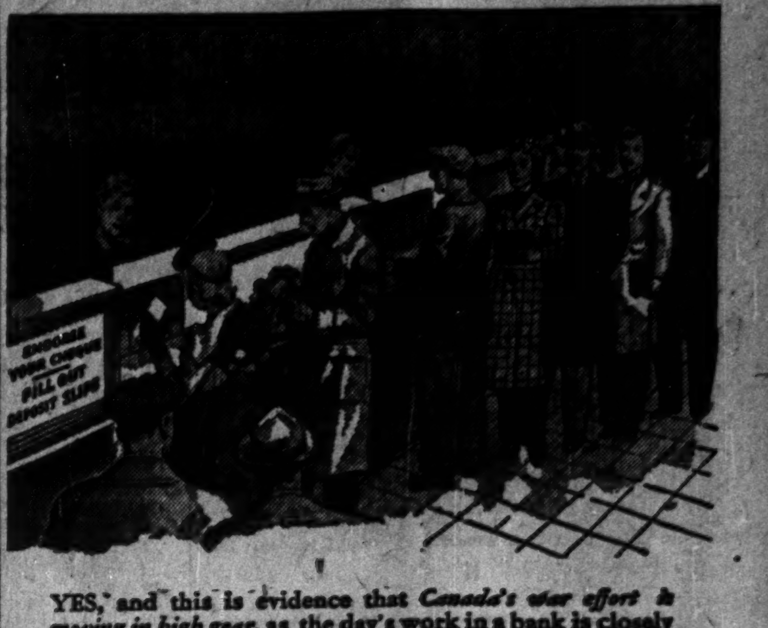

YES, and this is evidence that *Canada's war effort is moving in high gear,* as the day's work in a bank is closely allied with that effort. It means:—

- A large volume of payrolls and pay cheques of the Armed Forces and War Industry.
- Servicing Victory Bond transactions during campaigns and at other times. Regular over-the-counter sales of War Savings Stamps and Certificates.
- Dealing with necessary Government Regulations (Foreign Exchange—Travel—Import and Export of Goods . . .) on behalf of the public.
- And in addition, providing the many banking services necessary to the country's activities.

Many of our trained men are now with the Armed Forces but our staff carries on. Your co-operation by *banking early in the day* will be helpful.

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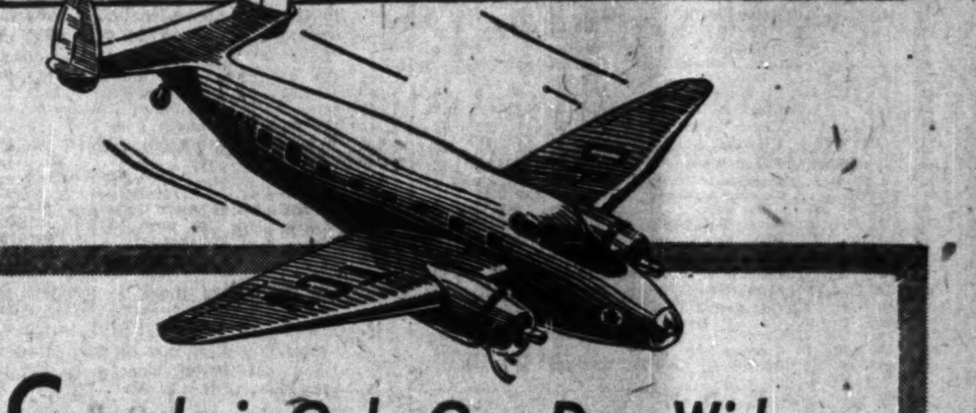

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Position of Chartered Banks of Canada as of October 31, 1942, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Deposits by and Bal. Due to Dominion Government	Deposits by and Bal. Due to Provincial Governments	Advances from Bank of Canada	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere ▲	Bal. due to other Banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable
	$	$	$	$	$	$	$	$	$	$	$
Montreal	15,354,907	55,326,231	31,282,119	....	426,898,475	421,360,793	105,777,140	4,062,365	9,724,016	10,214,291	....
Nova Scotia	6,265,440	18,746,301	2,584,021	....	98,922,360	157,047,589	60,901,082	3,633,049	1,754,700	1,535,981	....
Toronto	2,606,274	9,991,251	2,277,187	....	72,593,013	93,574,541	337,453	299,034	1,185,294	387,165	....
Provinciale	1,801,000	2,281,987	233,434	....	17,050,839	45,781,518	8,634	....	....	25,553	....
Commerce	14,176,912	25,696,311	25,376,228	....	309,100,683	385,207,209	83,313,656	1,380,667	6,352,789	6,232,038	....
Royal	19,093,500	35,471,589	17,141,220	....	452,534,092	357,726,777	264,280,413	15,093	4,108,914	11,558,011	....
Dominion	3,519,749	10,532,396	1,932,878	....	81,523,890	81,891,489	8,759,116	2,827,331	641,065	271,403	....
Nationale	3,059,412	7,389,985	1,360,689	....	60,562,503	111,962,793	463,926	1,668,647	27,018	654,042	....
Imperial	3,470,817	16,046,266	18,806,068	....	83,339,382	97,937,352	1,223,547	1,227,659	1,330,552	778,376	....
Barclays (Canada)	719,795	3,514,291	107,799	....	6,533,417	6,242,938	3,280,460	57,041	3,181,193	1,758,276	....
Total	70,067,807	184,996,608	101,101,643	....	1,609,058,65	1,708,732,999	528,345,413	15,070,886	28,305,541	33,415,136	....

NAME OF BANK	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities
	$	$	$	$	$	$
Montreal	16,184,995	2,340,875	556,327	39,000,000	36,000,000	1,174,082,544
Nova Scotia	22,041,342	214,067	11,500	24,000,000	12,000,000	409,657,419
Toronto	1,942,078	....	151,087	10,000,000	6,000,000	201,344,383
Provinciale	48,942	6,047	4,197	1,000,000	4,000,000	72,236,156
Commerce	28,569,123	....	483,413	20,000,000	30,000,000	885,789,034
Royal	31,054,789	1,735,047	588,742	20,000,000	35,000,000	1,250,328,194
Dominion	4,759,996	776,768	140,851	7,000,000	7,000,000	211,576,938
Nationale	386,680	48,196	112,102	5,000,000	7,000,000	199,696,000
Imperial	3,537,895	....	144,563	8,000,000	7,000,000	242,842,480
Barclays (Canada)	609,690	22,358	....	750,000	1,500,000	28,277,262
Total	109,129,530	5,163,358	2,192,781	134,750,000	145,500,000	4,675,830,410

SUPPLEMENTARY INFORMATION

NAME OF BANK	Capital Authorised	Capital Subscribed	Last Dividend	†Loans to Directors and firms of which they are Partners	Average Notes and Deposits with Bank of Can.	Greatest Amount of Notes in Circ.
	$	$	%	$	$	$
Montreal	50,000,000	36,000,000	6	194,296	93,463,858	15,966,262
Nova Scotia	15,000,000	12,000,000	10	1,835,155	26,365,000	6,370,479
Toronto	10,000,000	6,000,000	10	536,530	22,061,619	2,633,854
Provinciale	5,000,000	4,000,000	5	149,115	6,583,572	1,971,810
Commerce	50,000,000	30,000,000	6	930,476	80,630,389	14,446,102
Royal	50,000,000	35,000,000	6	991,829	83,863,212	19,945,711
Dominion	10,000,000	7,000,000	8	607,577	20,504,759	3,519,749
Nationale	10,000,000	7,000,000	6	164,955	18,305,743	3,089,327
Imperial	10,000,000	7,000,000	8	504,673	16,572,696	3,529,103
Barclays (Canada)	1,500,000	1,500,000	....	7,996	1,411,631	741,910
Total	211,500,000	145,500,000	....	5,902,602	369,762,559	72,214,307

▲Of this amount $53,417,795 represents deposits in Canada in currencies other than Canadian. †And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin Held in Canada	Gold and Subsidiary Coin Held Elsewhere	Notes of Bank of Canada	Deposits with Bank of Canada	Notes of Other Banks	Govt. and Bank Notes other than Canadian	Cheques on other banks	Balances due by other banks in Canada	Due by banks in U.K.	Due by banks elsewhere
	$	$	$	$	$	$	$	$	$	$
Montreal*	1,282,152	44,281	24,464,916	86,239,107	694,040	679,777	44,359,194	3,173	4,631,233	34,180,398
Nova Scotia	381,228	717,468	8,801,108	20,190,775	178,418	9,582,683	12,966,445	....	10,833,668	18,015,374
Toronto	351,350	....	5,020,897	12,465,798	61,590	163,749	8,141,222	....	538,592	2,897,467
Provinciale	273,078	....	2,643,893	3,006,936	50,975	42,208	4,094,017	2,091	37,055	892,802
Commerce†	959,615	202,880	17,222,813	68,271,434	235,600	2,242,926	25,407,217	....	5,405,546	28,018,197
Royal	1,745,027	1,677,893	26,939,150	66,260,043	564,085	31,132,262	42,723,415	2	15,768,099	47,910,328
Dominion	240,514	177	3,079,393	19,602,994	147,445	102,959	8,228,623	....	2,201,843	6,187,475
Nationale	597,864	....	6,830,549	10,343,212	110,760	70,224	10,412,424	2,250,126	123,151	2,715,742
Imperial	339,443	....	6,783,916	16,677,930	140,575	76,992	9,690,260	675,368	773,570	5,805,559
Barclays (Can.)	6,813	....	127,268	1,569,808	2,875	3,419	1,185,888	909,447	1,662,508	5,093,825
Total	6,177,084	2,642,699	101,913,903	304,627,039	2,186,313	44,087,199	167,308,695	3,840,207	44,975,265	151,717,167

NAME OF BANK	Govt. sec. short term	Govt. sec. long term	Canadian municipal securities	Public sec. other than Can.	Other bonds and stocks	Call and short loans in Canada	Call and short loans elsewhere	Current loans in Canada	Current loans elsewhere
	$	$	$	$	$	$	$	$	$
Montreal*	440,940,001	166,915,914	15,260,671	40,478,044	20,552,068	1,920,538	14,289,715	304,723,388	16,121,869
Nova Scotia	90,341,756	57,186,062	9,294,530	3,599,212	11,809,664	2,187,693	643,170	106,529,915	14,849,396
Toronto	69,647,282	34,452,154	1,954,448	....	3,584,515	925,019	....	55,960,066	....
Provinciale	16,304,111	11,145,469	9,890,778	....	1,345,056	3,598,590	....	14,351,259	....
Commerce†	252,701,841	119,779,224	5,847,950	28,799,824	9,823,709	6,849,936	18,734,573	212,516,653	20,713,827
Royal	365,260,514	184,339,305	9,156,434	49,828,134	33,543,389	3,526,371	22,557,486	216,035,844	61,010,717
Dominion	59,064,358	24,568,030	1,365,919	770,093	1,394,431	1,046,618	2,271,027	70,495,711	279,941
Nationale	57,679,788	38,904,419	14,843,984	17,388	3,445,911	2,865,352	....	47,901,013	....
Imperial	68,679,342	38,283,298	5,407,081	....	60,054	1,588,017	....	75,468,640	....
Barclays (Can.)	6,200,839	6,445,545	1,000	23,000	....	173,100	....	3,525,567	....
Total	1,426,819,832	670,020,940	73,022,804	123,513,695	85,558,797	24,681,234	58,495,971	1,007,598,156	112,975,750

NAME OF BANK	Loans to provincial governments	Loans to municipalities	Non-Current loans	Real estate other than Bank premises	Mortgages on real estate	Bank Premises	Deposit for note circulation	Other assets	Total assets ▲
	$	$	$	$	$	$	$	$	$
Montreal*	955,946	22,613,747	509,678	358,471	[illegible]	13,900,000	905,058	1,841,686	1,175,310,231
Nova Scotia	53,384	2,719,984	349,980	....	70,845	4,557,984	340,856	2,402,345	411,681,496
Toronto	....	3,010,349	30,513	....	8,567	3,093,300	172,958	....	204,343,902
Provinciale	7,610	1,983,261	61,800	403,611	248,806	2,070,386	106,971	135,360	72,739,017
Commerce†	582,755	10,934,340	995,823	2,096,915	874,593	19,664,851	800,000	4,408,158	886,660,544
Royal	955,870	15,764,331	1,582,694	1,216,889	868,281	14,152,480	1,110,600	3,854,028	1,253,537,360
Dominion	651,671	186,208	130,463	18,483	23,446	5,232,625	182,810	203,156	212,443,439
Nationale	374,961	5,799,607	148,977	1,476,397	672,097	4,734,545	178,537	179,291	201,172,321
Imperial	417,895	3,159,193	133,274	19,710	171,788	5,426,632	193,324	54,704	243,562,471
Barclays (Can.)	....	....	1,774	....	....	791,734	31,090	12,985	28,311,722
Total	4,000,092	66,170,420	3,954,435	5,590,478	3,383,814	68,575,387	4,022,204	13,912,193	4,689,751,414

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement:—Footnote to Canadian Bank of Commerce return.

▲Total assets include $109,129,530 letters of credit outstanding as shown in liabilities.

THE WEEK'S QUOTATIONS

Montreal and Toronto
Week ending Monday close
Winnipeg and Vancouver
Week ending Saturday close

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

STOCKS TRADED THIS WEEK

WEEK ENDING DECEMBER 7

Range 1942 High	Low	Div R'te $	Dec.5 Y'ld %		Sales	Last Nov. 30	Week end. Dec. 7 H	L	Cl'se
				A					
.75	.40	.	...	Abitibi	2480	.65	.65	.60	.65
7	3½	.	...	Do. pref. 6%	2915	4¼	5¼	4¼	5
1.50	.55	.	...	Alta. Pac. Gr.	1125	1.00	1.50	1.10	1.50
42½	21½	.	...	Do. pref.	430	34	42½	35	40
9½	7½	.	...	Algoma Steel, c	180	8	8½	8	8½
109	80	8+2	10	Aluminium	1115	95½	101	96	100½
118	111½	6	5.2	Do. pref.	100	117	116	116	116
22	16	1.40	6.5	Asbestos	[illegible]	21	22	21	21½
18½	13½	1.25	8	Assoc. Brew. c.	20	15	15½	15½	15½
103	102	5.50	5.3	Ault & Wiborg.	10	102½	103	103	103
				B					
150	115	6	4.6	Bk. Can. Nat.	18	124	130	128	130
189	124½	6	4.2	Bk. Montreal	29	143	145	143	145
275	212	10	4.4	Bk. N. Scotia	24	225	225	222	225
255	200	10	4.6	Bk. Toronto	10	203	215	215	215
21	12	.	...	Barker's Br'd p	2	20	18½	18½	18½
14½	10½	1+.50	11	Bathurst Pr.	650	13	13½	12½	13½
2.00	1.00	.	...	Do. (B)	90	1.60	2.00	1.50	2.00
12	6½	.25	...	Beatty Bros.	260	11	12	11	11
110½	102	6	5.4	Do. pref.	262	110½	110½	110½	110½
110½	76	7	6.4	Do. 2nd pref.	10	110½	110	110	110
9¾	9½	.	...	Beauharnois	410	9½	9½	9½	9½
150½	123	8	5.6	Bell Telephone	681	140	143	140	142
4	2½	.	...	Blue Ribbon	125	3	4	3½	4
32½	23	2.50	10	Do. pref.	5	25	25	25	25
13½	6	1	7.5	Brazilian Tr.	10225	12	13½	12½	12¾
18	13	1	5.7	Brit. Amer. Oil	1820	17	17¾	17½	17¾
17	12	1.50	...	B. C. Packers	10	17	17	17	17
22½	17	2	8.9	B. C. Power A.	360	22	22½	22	22½
2.00	.75	.	...	Do. (B)	308	1.25	2.00	1.00	2.00
14	11	.70+.10	6	Building Prod.	1014	12½	14	12½	13
8½	7½	.60	7.5	Burlington St'l.	70	8	8½	8	8
				C					
23½	21½	1.50	6.9	Caldwell L. 1 p	20	22	21½	21½	21½
9½	8½	.80	9.4	Do. 2nd pref.	15	9	8½	8½	8½
3	1½	.	...	Canada Bread	170	2½	2½	2½	2½
6	5	.40	7.2	Canada Bud	25	5½	5½	5½	5½
5	3½	.	...	Canada Cement	1082	4½	5	4½	4½
102	90	6.50	6.8	Do. pref.	105	93	96	90	96
106	102	5	4.8	Canada Cycle, p	15	105	104¾	104¾	104¾
20½	13	1.15	...	C. & D. Sugar.	1914	15	16½	15	16¾
20	15	1.50	7.5	Can. Forg. (A)	122	19	20	18½	20
38	32	2+.50	6.8	Can. Malting	390	36½	37	36½	36½
7½	4	.60	8.6	Can. Nor. Pr.	1055	6¾	7	6¾	7
88	73½	7	9.3	Do. pref.	93	73½	78	73½	78
87	74¾	4	5	Can. Packers	270	79	79	78¾	78¾
126	110½	8	6.4	Can. Perman.	15	120	124	122	124
9	5	.	...	Can. Steamsh's	2268	8½	9	8½	8¾
30½	25½	2.50	8.2	Do. pref.	753	30	30½	30	30½
7½	4½	.40+.10	8	Can. Vinegars.	50	6	6½	6½	6½
57	48½	4	7.5	Can. W. Cable.	12	54	53	53	53
108½	104½	6.50	6	Do. pref.	15	107½	107½	107½	107½
65	48½	8.75	...	Can. Bakeries p	110	62	65	65	65
154	115	6	4.7	Can. Bk. Com.	124	126	128	127	128
1.45	1.00	.	...	Can. Breweries	2488	1.25	1.25	1.20	1.25
31	25½	3.40	12.1	Do. pref.	530	27½	28½	27½	28
33	27½	1.50+.50	6	Can. Bronze, c	425	31	33	32	33
22	16	1+.20▪	6	Can Canners 1 p	50	20	20	19¾	19¾
10½	8	.60+.20▪	8	Do. 2nd pfd.	370	9½	10½	9½	10
8	4½	.	...	Can. Car & F'y	1309	7½	8	7½	8
27½	21½	1.75	6.4	Do. pref.	835	27½	27½	27	27½
27½	21½	1+1	7.3	Can. Celanese	182	26¾	27½	26	27½
130	118½	7+1.15▪	6	Do. pref.	10	130	130	130	130
17½	15	2	13.3	Can. Convert	15	17	15½	15½	15½
102½	98	4+2	6	Can. Cottons, c	52	100	100	98	98
15	9	.	...	Can. Dredge	205	15	15	15	15
81	70	4	...	Can. Fire Ins.	40	70	70	70	70
25	13	2	8.6	Can. For. Inv. c	85	23	23½	23	23
215	190	8	4.2	Can. Gen. Elec.	8	208	190	190	190
7½	6½	.50	5.4	Can. G. Inv.	75	7½	7¾	7½	7¾
4½	3	.35	...	Can. Ind. Alc.	2040	4½	4½	4	4
4½	2½	.35	...	Do. (B)	635	4½	4½	4½	4½
167	127½	6	3.9	Can. Indust. B.	61	150	152	151	152
13½	12	1	7.8	Can. Lt. & Pr.	8	12	12¾	12¾	12¾
9½	6½	.	...	Can. Locomo.	15	6½	8	7	8
.90	.45	.04	...	Can. Marconi	200	.80	.85	.85	.85
15	10	.50+.70	9	Can. Oil	25	12¾	12¾	12¾	12¾
123	105	8	7.6	Do. pref.	1	105	105	105	105
8½	5	.	...	Can. Pacific	16623	7½	8½	7½	7¾
1.50	.40	.	...	C. Pr & Pa In p	10	1.25	1.25	1.25	1.25
6	5	.	...	C Tube & St 2 p	16	6	6	6	6
3½	2	.	...	Can. Vickers	50	3½	3½	3½	3½
27½	20	.	...	Do. pref.	95	22	23	23	23
10	8	1	11.1	C. Wallpaper B	10	9	9	9	9
3½	2	.	...	Ch. Gai Wines.	100	2	2½	2½	2½
.20	.05	.	...	Chem Research	215	.20	.12	.12	.12
.25	.15	.	...	City Gas & El.	300	.15	.15	.15	.15
1.42	1.05	.12	...	Coast Brew.	500	1.17	1.16	1.16	1.16
8½	4	.50	...	Cockshutt Plow	645	8	8½	8	8½
2.87	1.90	.15	...	Comm. Alcohol	775	2.63	2.87	2.63	2.75
6½	5¾	.40	6.7	Do. pref.	725	6½	6½	6	6
10½	8½	.60	6.2	Cons. Bakeries.	42	9½	9¾	9½	9¾
7½	4½	.75	...	Cons. Div Sec p	11	5	5½	5½	5½
3.37	1.50	.	...	Cons. Paper	8457	2.50	2.75	2.25	2.50
4	2	.	...	Cons. Press	125	3	2½	2	2½
39	32	1+1.50	7	Cons. Smelt.	763	37	37	35½	36½
132	109	8	6.8	Consumers' Gas	65	115	117	116	117
69	50	7	10.7	Corr. P. Box, p	10	60	65	65	65
30	10	.	...	Cres. Cream'y p	5	26	30	30	30
23	18	1.20+.15	...	Cosmos Imp.	15	22	21	21	21
34½	27½	3	9.8	Crow's N. Coal	50	29¾	30½	30½	30½
				D, E					
27½	21	2.22	8.2	Distill-Seagram	1065	26	27½	26½	27½
97½	90	5	5.2	Do. pref.	100	97	97½	97½	97½
191	135	8	5.6	Dom. Bank	80	147	143	142	143
24	20	1.20	5.1	Dom. Bridge	450	23	23½	23	23½
15¾	9½	.	...	Dom. Coal, pf.	520	12½	13	12½	13
25	17	.	...	Dom. Engineer.	10	20	23	23	23
21½	16½	1+.25	6	Dom. Foundries	330	20½	20½	20½	20½
117	110	5	4.3	Dom. Glass	150	114	117	114	117
152½	150	7	4.6	Do. pref.	12	151	152	151	152
25	20	1.20+.40	7	Dom. Oilcloth.	1221	21¾	23½	21¾	23
.60	.40	.	...	Dom Scot Inv c	100	.40	.45	.45	.45
9½	4½	.	...	Dom. St. & C.B.	3806	7½	8½	7¾	8
6½	3½	.	...	Dom. Stores	1225	5½	5¾	5½	5¾
6	3	.	...	Dom. Tar & Ch.	985	5½	6	5	5½
90	83	5.50	5.6	Do. pref.	45	89	89	89	89
82½	66	5	7	Dom. Textile, c	90	70	71	71	71
1.60	.70	.	...	Dom. Woollens.	385	1.30	1.60	1.50	1.50
8½	6½	.60	7.3	Do. pref.	173	8½	8½	8	8½
4	2	.	...	Donnacona P.	955	3½	3¾	3½	3¾
6	3½	.	...	Dryden Paper.	504	4½	5	4¾	4¾
10	6	.	...	East Koot Pr p	10	7½	10	10	10
.50	.25	.	...	East. Dairies	200	.40	.50	.50	.50
12¾	6½	.	...	Do. pref.	43	11½	11½	11½	11½
13	10	1	8.7	East. Steel	25	11½	11½	11½	11½
6½	6½	.50	...	East. Theat.	12	6½	6½	6½	6½
6	2½	.	...	Electrolux	275	5½	6	5	5
3	2½	.	...	Enam. & Heat.	50	2½	2½	2½	2½
29½	19	2.50	10.9	English Elec. A	50	20½	22¾	22¾	22¾
5½	4½	.15	...	Equitable Life.	50	5½	5	5	5
				F, G					
3¾	1½	.25	...	Fairchild Air	100	2½	2½	2½	2½
19½	14½	1	6.2	Fam. Players	46	16	16	15½	16
22½	18	1.50+.25	8	Fanny Farmer	318	20	22½	21	22½
40	33½	6	...	Fed. Grain, pfd.	20	37	40	40	40
3¾	2½	.	...	Fleet Aircraft.	1630	3½	3¾	3½	3¾
.50	.20	.	...	Fleury Bissell c	25	.50	.50	.50	.50
20½	14½	1	4.9	Ford Motor A.	2301	20	20½	19¾	20½
16½	12	‡1.20+.50	...	Foundation Co.	350	16	16	15½	16
13	7	.	...	Fraser Cos.	83	10½	11¾	10½	11¾
13½	7½	.	...	Do. Vot. Tr.	656	10½	11½	10½	11½
8	4½	.60	7.5	Gatineau Pwr.	735	7	8	7½	7½
80	61¾	5	6.2	Do. pref.	46	74½	80	75½	80
81	70	5.50	6.7	Do. 5½% pref.	1	80	81	81	81
.15	.09	.	...	Do. Rights	220	.10	.10	.09	.09
7	5	.50	7.2	Gen. St. Wares	1730	7	7	6¾	7
92	82	7+.53▲	8	Do. pref.	64	88	92	90	92
67	31¾	2.50+2.50	...	Goodyear Tire.	59	57	67	61	67
51½	38	2.50	4.9	Do. pref.	41	51½	51	51	51
2½	1	.	...	Gt. L. Pa V tr c	130	1½	2½	1½	2½
16½	11	1.50	...	Do. Vot. tr. p	189	12½	14	12½	13½
28	24	3	...	Gt. W. Sadl'y p	25	25	26	26	26
11¾	9½	.60	6.4	Greening Wire.	80	10½	9½	9½	9½
4½	2½	.	...	Gypsum, Lime.	3421	4½	4½	4	4½
				H, I					
5½	2	.	...	Ham. Bridge	4625	5½	5½	4½	4½
1.50	.85	.	...	Ham. U. Theat.	35	.65	1.00	.75	1.00
78	73	5	6.4	Do. pref.	5	76½	78	78	78
.90	.90	.	...	Hillcrest Coll.	100	..	.90	.90	.90
21½	16	2	9.3	Honey Dew	188	18½	21½	20	21½
14	8	.	...	H. Smith Pap.	270	11	11½	11	11½
100	93½	6	6.2	Do. pref.	110	95	97¾	97¾	97¾
9½	3	.50	...	Humberstone S.	15	6¾	8½	8½	8½
8½	6	.	...	Hunts (B)	25	7	6	6	6
204	145	8	5.1	Imperial Bank.	6	155	157	155	157
10¾	7½	.50	4.8	Imperial Oil	5750	10¼	10½	10¼	10¾
12½	9½	.40+.17½	5	Imperial Tob.	2485	10¾	11½	10½	11½
7½	6½	6%	...	Do. pref.	40	6¾	7	7	7
12	6½	.25	...	Indust. Accept.	1600	11	12	11½	12
26	22½	3	...	Inter-City Bak.	3	26	26	26	26
12½	10	1.50	13.6	Inter. Bronze	130	11	11	11	11
23	20	1.50	7	Do. pref.	95	21½	22	21½	22
30	25	.03	...	Int. Coal & C.	500	30	30	30	30
9½	5	.	...	Int. Metal Ind.	145	9½	9½	9	9
99	85	6+5▲	6.7	Do. pref.	85	87½	90	87½	90
92	85	6+5▲	6.8	Do. pref. A.	90	87½	87½	87½	87½
36½	29	2	6.2	Int. Nickel	2341	32	32½	31¾	32½
2.25	1.05	.	...	Int. Paints, c.	25	1.50	2.25	2.25	2.25
16½	11	1	6.2	Int. Pete.	2770	15	16½	15	15½
6	2	.	...	Int. Power	210	5	6	6	6
92	85	7	7.6	Do. pref.	10	92	92	92	92
3½	2	.	...	Int. Util. (A)	25	2½	3½	3½	3½
.20	.03	.	...	Do. (B)	185	.20	.15	.15	.15
				J, K, L					
10	5	.	...	L. St. John Pr.	25	6	8	8	8
20	14½	1.20	6	Lake of Woods.	625	18	20	18	20
118	113	7	5.9	Do. pref.	10	115	118	118	118
54	47	4	7.7	Landed Bank	7	52	52	52	52
13	8	.70+.30	7.7	Lang, J. A.	25	12½	13	13	13
10½	6½	.60	8.4	Laura Secord.	330	9	9½	9	9½
9½	8	.	...	Legare, pref.	30	8½	8	8	8
7	5	.	...	Lindsay, C W c	50	7	7	7	7
25¾	19	1+.25	6	Loblaw (A)	243	20	20½	20	20½
23¾	17½	1+.25	6.7	Do. (B)	175	18	18¾	18½	18½
				M					
2.00	.50	.	...	Mackin. Steel, c	3	.50	1.00	1.00	1.00
16	11½	1.00	...	Maclaren Pr.	525	16	15½	15½	15½
7	5	.	...	M L Gardens c	10	6½	6	6	6
4½	1½	.	...	Maple Leaf M.	3064	4½	4½	3¾	3¾
10½	3	.	...	Do. pref.	2807	8½	10½	8¾	8¾
5	2¾	.	...	Massey-Harris	6823	4¾	5	4½	5
14	10½	1.25	...	Do. pref.	3763	13¾	14	13½	14
6½	2½	.	...	McColl Fron. c.	2320	6	6¾	5¾	5¾
1	1	.	...	Melchers, c.	5	1	1	1	1
4	2	.	...	Mercury Mills	40	4	4	3¾	3¾
15¾	10½	2	12.9	Mitchell, Robt.	815	15½	15½	14½	15½
24	19½	1.50	6.3	Mont. L. & Pr.	3330	22½	24	22½	23½
50½	48½	.	...	Do. Notes	10	48½	48½	48½	48½
14	13	1.25	...	Montreal Loan.	5	13	13	13	13
.80	.70	.	...	Mtl. Refrig. & S	5	.80	.75	.75	.75
17	11½	1.25	...	Do. pref.	5	16½	17	17	17
24½	20	*1.82	...	Montreal Tele.	25	23½	23½	23½	23½
22	12	.	...	Montreal Trams	60	20½	22	20½	22
45	39	2.22+.66½	6½	Moore Corp.	945	41½	43½	41½	42
178	158	7	4.1	Do. pref. (A)	5	165	170	170	170
.25	.10	.	...	Muirheads, c.	602	.10	.25	.20	.25
				N, O					
26	21½	2	7.7	Nat. Brew., c.	1015	25¾	26	25¾	26
[illegible]	[illegible]	[illegible]	6.2	Nat. Steel Car.	650	31½	32½	30½	31½
18	10	1.75	...	Niag. W. Weav.	215	12	15½	14	15½
[illegible]	[illegible]			Noorduyn Av.	55	3	3	3	3
3½	2¾	.35	10	North Star Oil p	100	3½	3½	3½	3½
22	17½	1	4.5	Ogilvie Flour, c	310	21½	22	21¾	22
5	2½	.20	...	Ott. Car Air	85	3½	3½	3½	3½
				P, Q, R					
103	85	5	5.7	Page Hersey	40	86	87	86½	87
48	36	3	7	Penmans, c.	180	42	45	41	45
5¾	2½	.30	...	Power Corp.	467	5½	5¾	4	5½
33½	30	3	9.4	Do. 2nd pref.	20	32½	32	32	32
11	6	.	...	Price Bros.	975	8	8¾	8	8½
70	54	5.50	9.6	Do. pref.	10	57	58	57	57
6½	4½	.40	6.7	Prov. Transport	220	6	6½	6	6½
13¾	11	1	7.6	Quebec Power.	220	13½	13½	13	13½
4	4	.	...	Que. Telephone	10	4	4	4	4
5½	3	.75	...	Regent Knit, c.	75	5	5½	5	5
155	115	6	4.6	Royal Bank	115	125	130	126	127
150	135	7	4.7	Russell Ind. pf.	100	150	150	150	150
				S					
106¾	103	5.50	5.2	Saguenay Pr. p	160	105	105½	104½	105½
2	2	.	...	Sarnia Br. (B).	30	2	2	2	2
16½	12	.90	5.6	Shawinigan Pr.	2067	16	16¾	15½	16½
13½	7	.60	4.6	Sher. Wms., c.	145	12	13	12½	12¾
8½	6	.40	5	Silverwoods	80	8	8	8	8
8	5½	.40	5.2	Do. pref.	60	8	8	7¾	7¾
10	7	.60+.15	9	Simon & Sons c	50	8½	8½	8½	8½
3½	1	.	...	Simpson, B	1	3	3½	3½	3½
89	66	6.50	8.3	Do. pref.	13	78	78	76	76
103½	99½	6	5.8	So. Can. Pr. pf.	113	103	103½	103	103
2.00	.95	.	...	St. Law. Corp.	1850	1.45	1.50	1.40	1.45
15½	8½	1+.50	8.3	Do. (A)	415	11½	12	11½	12
43	24½	3+.75	9.7	St. Law. Pap. p	331	30	31	30	31
12	9	1.25	...	Stand. Chem.	15	11½	10½	10½	10½
1.00	.35	.	...	St. Pav. & Mat.	1150	1.00	1.00	.75	.75
5½	4	‡3½	...	Do. pref.	50	5½	5½	5½	5½
4	3	.40	13.3	Stand. Radio	3	3¾	3	3	3
63¾	57	3	4.9	Steel of Canada	90	61	61	59½	59½
70½	65	3	4.5	Do. pref.	170	66	67	66	66½
				T, U, V					
11½	8½	.80	7.6	Tamblyn, c.	56	10½	10½	10½	10½
52½	52½	2.50	4.8	Do. pref.	12	52½	52½	52½	52½
8½	4	.30	...	Tip Top Tailors	250	6	7	6¾	7
106	95	7	7	Do. pref.	53	96	100	100	100
1.75	1.00	.	...	Tooke Bros., c.	2	1.75	1.75	1.75	1.75
76	63	4	5.9	Tor. Gen. Tr.	5	68	68	68	68
152	147	7	4.6	Tuckett Tob. p.	22	151	152	152	152
5½	1	.	...	Twin City, c.	120	5	5½	4½	5½
10½	4½	.	...	Union Gas	1695	6½	6½	5	6
36	29	3	9.2	United Fuel, pf.	50	31½	32½	32½	32½
3¾	2½	.	...	Do. (B) pref.	265	3½	3½	3½	3½
12½	10	1	8.3	Un. Grain Gr. A	15	12	12½	12	12½
4	1	.	...	United Secs.	10	3	4	4	4
4½	2½	.	...	United Steel	2400	3¾	4½	3¾	4
				W, Y, Z					
47	35	4	8.5	Wabasso Cot.	160	46½	47	46	46½
50½	40	4	8.2	Walker-Good.	1430	48	49	48½	48½
21	16	1	5.2	Do. pref.	537	18¾	19½	18¾	19
1.30	1.00	.05	...	Walkerville Br.	120	1.20	1.30	1.20	1.20
2.70	1.75	.20	...	West Breweries	100	2.70	2.65	2.65	2.65
3.00	1.00	.	...	West C. Flour.	400	2.00	3.00	2.25	2.50
38½	18	.	...	Do. pref.	427	32½	38½	32½	38
10	6	.50	...	Western Steel.	364	7½	8	7½	8
11½	9½	.80	7.4	Weston, Geo., c	185	10½	11	10¾	11
3.50	.85	.	...	Winnipeg El. A	3688	2.75	3.25	2.25	2.75
3.25	.60	.	...	Do. (B)	6025	2.50	3.00	2.25	3.00
22	5½	.	...	Do. pref.	1233	17	20	17	20
60	55	.	...	Woods Mfg. pf.	5	60	60	60	60
5	3½	.40	11.4	York Knitting	20	3½	3½	3½	3½
12½	10½	.80	6.5	Zellers, c.	1400	12	12½	12	12½

▲On account of arrears.
▪Participating. ‡Paid in 1942.
*Net after corporate income tax.

Mining Stocks

Week Ending December 7

Range 1942 High	Low	Div. Rate $	Dec. 5 Yield %	Company	Sales	Last Nov. 30	Week Ending Dec. 7 High	Low	Close
				A, B					
.16½	.05	....	....	Aldermac	8,800	.08½	.08½	.08	.08
2.55	1.75	.20	8.7	Anglo-Hur.	900	2.05	2.55	2.25	2.30
.04½	.01	....	....	Ashley	2,500	.02	.04	.03½	.03½
.02	.01½	....	....	Astoria Que.	1,000	.01½	.01½	.01½	.01½
1.47	.75	.16	13.3	Aunor Gold	3,850	1.24	1.33	1.17	1.20
.08	.02	....	....	Bagamac	3,425	.03½	.08	.05	.08
.05½	.02½	....	....	Bankfield	1,000	.03½	.03	.03	.03
.09½	.05	....	....	Base Metals	12,000	.07½	.08½	.07½	.08½
.09½	.02½	....	....	Bear Expl.	58,100	.07½	.09½	.06½	.09
.94	.46½	.13	....	Beattie Gold	1,700	.69	.65	.63½	.63½
.03	.01½	....	....	Beaufor	1,000	.02½	.01½	.01½	.01½
.10	.04½	....	....	Bidgood K.	14,200	.08½	.10	.08½	.08½
.12½	.06	....	....	Bobjo	12,100	.07	.08½	.07½	.08½
.32½	.05	....	....	Bonetal G.	17,300	.07½	.07½	.06½	.07
9.30	4.40	1.20	*17.9	Bralorne	2,075	7.00	7.00	6.80	6.80
.61	.21½	.06	....	Broulan P.	14,550	.36	.39	.37	.38
2.80	.90	....	....	Buffalo Ank.	2,050	1.35	1.45	1.35	1.37
.03½	.01	....	....	Buff. Can.	4,000	.03½	.03	.03	.03
12.50	5.00	3.00	....	Bulolo Gold	300	11.37	11.50	11.37	11.50
				C, D, E, F					
.49	.20	.08	20	Can. Mal.	2,300	.38	.40	.39	.40
1.72	.56	.15	....	Cariboo Gold	600	.85	.95	.92	.92
.02½	.01½	....	....	Cen. Man.	300	.02	.02½	.02½	.02½
1.30	.45	.15	....	Cen. Pat.	8,750	.80	.76	.73	.74
.10½	.04	....	....	Cen. Porc.	10,500	.05½	.07	.06	.06½
1.50	.36	.02½	....	Chesterville	13,304	.56	.62	.53	.53½
2.95	1.20	....	....	Chromium	441	2.65	2.75	2.50	2.50
1.10	.50	....	....	Coast Copper	925	.75	1.04	.95	1.04
.74	.44	.09	....	Cochenour	11,200	.64	.70	.64	.65
1.15	.50	.10	....	Coniagas	50	.75	.50	.50	.50
.94	.35	.13	....	Coniaurum	200	.65	.68	.68	.68
.65	.26½	.06	....	Delnite	100	.43	.39	.39	.39
.06	.02	....	....	Denison N.	1,000	.03	.03½	.03½	.03½
18.50	10.37	1.60	9	Dome Mines	1,290	17.75	18.50	17.50	17.63
2.24	.73	†.05	....	East Mal.	29,400	1.12	1.15	1.05	1.05
.70	.32	....	....	Eldorado	3,825	.63	.66	.62½	.65
3.60	2.20	†.15	....	Falconbridge	2,345	3.25	3.40	3.20	3.40
.02½	.01	....	....	Federal	5,000	.01½	.01½	.01½	.01½
.20	.05	....	....	Forty-Four	166	.10	.10	.10	.10
.42½	.12	....	....	Francoeur G.	2,600	.21	.21	.20	.20½
				G, H, I, J					
.20	.08	....	....	God's Lake	24,700	.10½	.12	.11	.12
.11½	.06½	.02	....	Goldale	2,600	.08½	.08½	.08	.08
.18	.12	.04	....	Gold Belt	500	.12½	.14	.14	.14
.10½	.02½	.09	....	Gold Eagle	38,600	.02½	.02½	.02½	.02½
.04½	.01	....	....	Golden Gate	2,500	.02½	.02½	.02½	.02½
.03½	.01½	.00½	....	Grull W.	4,000	.01½	.02	.02	.02
.14	.07	....	....	Gunnar G.	14,400	.10	.12½	.09	.10½
.03½	.00¾	....	....	Halliwell G.	13,800	.01	.02	.01½	.03
3.00	1.00	.40	16.6	Hallnor	500	2.25	2.40	2.30	2.40
.55	.25	.06	....	Hard Rock	2,160	.50	.52	.45	.47
.03	.01	....	....	Harker	500	.01	.03	.03	.03
.15	.10	....	....	Hasaga	1,000	.10	.15	.15	.15
.38	.17	.08	....	Hedley Mas.	4,500	.35	.35½	.35	.35
10.50	5.70	.65	8.2	Hollinger	3,290	8.20	8.40	7.90	7.90
.20	.11	.02	....	Howey Gold	700	.14½	.16	.16	.16
28.12	21.75	2.00	7.6	Hudson Bay	2,435	26.00	26.25	25.25	26.25
.31	.12	....	....	Inspiration	3,800	.27	.29	.25	.25
1.06	.64	.13	....	Island M.	5,300	.65	.65	.55	.65
.30	.08	*.04	....	Jason Mines	500	.14	.12½	.12½	.12½
.03	.00½	....	....	Jellicoe	300	.03	.01½	.01½	.01½
.03½	.01½	....	....	Joliet Quebec	3,000	.01½	.01½	.01½	.01½
				K, L, M					
4.65	2.85	.35	8.1	K. Addison	7,683	4.30	4.65	4.25	4.30
.26	.11	....	....	Kirk. H. Bay	2,800	.18	.20	.18	.20
.62	.29	.06	....	Kirkland L.	10,940	.49	.51	.45	.45
.25	.15	....	....	Koot. Belle	2,500	.20	.20	.18½	.20
.59	.31	.02	....	L. Dufault	2,800	.50½	.48	.42	.44
12.00	6.35	.80	8.5	Lake Shore	1,315	9.50	9.75	9.45	9.45
4.15	2.79	†.30+.25	....	Lamaque G.	1,050	3.50	3.60	3.50	3.50
.09	.03	....	....	Lapa Cad.	700	.05	.06	.06	.06
.60½	.38	.08	14	Leitch Gold	17,450	.58½	.60½	.57	.57
1.35	.54	†.10	....	Little L.L.	6,025	.83	.90	.80	.86
2.85	1.37	.30	....	Macassa	5,200	2.12	2.19	2.10	2.10
1.68	.82	†.10	....	MacLeod C.	4,181	1.35	1.45	1.35	1.38
.59	.30	.03	....	Mad. R. L.	30,588	.53	.59	.53½	.56
[illegible]	.98	*.10	....	Malartic G.	92,150	1.62	1.71	1.57	1.60
.23	.18	.01	....	McGil. Coal	1,000	.22	.20½	.20½	.20½
45.50	33.00	3.33	*7.9	McIntyre	700	41.00	42.00	40.63	42.00
1.04	.43	.12	18.4	McK. R.L.	7,984	.68	.67	.65	.65
.05	.03	....	....	McVittie C.	1,500	.04½	.05	.04½	.04½
.11	.06½	....	....	McWatters	500	.09½	.10	.10	.10
1.40	.85	....	....	Mining Corp.	1,935	1.15	1.15	1.10	1.11
.30	.18	.08	....	Moneta	2,975	.27	.26	.23½	.25
				N, O, P, Q					
.23	.06½	....	....	Naybob	23,300	.08½	.08½	.08	.08
1.04	.75	.10	....	Nipissing	100	1.00	.85	.85	.85
52.00	35.75	4.00	10	Noranda	3,282	40.00	40.50	39.50	39.50
.25	.14	....	....	Nor. Canada	1,600	.15	.15	.15	.15
.90	.48	....	....	Normetals	2,417	.75	.75	.70	.75
2.00	1.00	.30	....	Nor. Empire	30	2.00	1.80	1.80	1.80
.91	.34	.03	....	O'Brien	23,450	.52	.53	.50	.51
.10	.05	....	....	Omega	3,328	.08½	.09	.09	.09
.16	.06½	....	....	Ont. Nick.	148,200	.12½	.14	.12½	.13½
.14	.02	....	....	Osisko	25,050	.05½	.14	.05	.08
.10	.05	....	....	Pac. Nickel	2,000	.08½	.09½	.09½	.09½
.90	.30	.08	....	Pamour	4,800	.52	.57	.50	.55
3.00	2.00	.40	....	Pato Cons.	650	2.40	2.40	2.40	2.40
.00½	.00½	....	....	Pawnee K.	2,000	.00½	.00½	.00½	.00½
.19	.10	.02	....	Paymaster	5,700	.10	.16	.15	.15
1.75	.85	.06	....	Pend Oreille	2,775	1.10	1.15	1.10	1.10
1.35	.41	.16	21.9	Perron Gold	3,800	.82	.80	.72	.72
2.35	1.00	.30	18.1	Pickle Crow	3,135	1.60	1.65	1.55	1.65
2.20	.93	....	....	Pioneer G.	7,975	1.26	1.29	1.00	1.02
7.00	4.25	.50	....	Placer D.	200	6.50	7.00	7.00	7.00
.78	.30	.02	....	Powell R.	100	.45	.45	.45	.45
.02	.00½	....	....	Prem. Bord.	20,000	.01½	.01½	.01½	.01½
.60	.30	.06	....	Premier G.	2,525	.55	.56	.52	.53
3.20	.97	.20	....	Preston E.	17,101	1.50	1.60	1.47	1.50
.47	.17½	.12+.01	..	Privateer	3,200	.27	.33	.30	.30
.02½	.01	....	....	Quatsino	2,000	.01½	.02½	.02½	.02½
.39	.08	....	....	Queenston G.	135	.24½	.25	.25	.25
				R, S, T					
.50	.20	....	....	Reeves McD.	500	.25	.30	.30	.30
.23	.02½	.20	....	Reno Gold	7,000	.08	.08	.08	.08
.03	.01	....	....	Roche L. L.	2,500	.02½	.02½	.02½	.02½
2.05	1.15	.20	*11.8	San Antonio	7,910	1.65	1.70	1.65	1.65
.02½	.00½	....	....	Sand River	4,000	.01½	.01½	.01½	.01½
.19	.09	....	....	Senator R.	14,800	.19	.19	.18½	.19
.85	.54	.20	....	Sheep Creek	5,861	.76	.85	.75	.85
.98	.55	.10	....	Sherritt G.	22,079	.64	.70	.63	.66
.75	.40	.16	....	Silbak Prem.	130	.40	.52	.52	.52
.50	.23	†.06½	....	Siscoe	3,660	.37	.40	.34	.35
.34	.13½	....	....	Sladen Mal.	6,500	.26	.27	.26	.26
.06	.01	....	....	Slave Lake	2,500	.02½	.02½	.02½	.02½
.04	.01½	....	....	St. Anthony	1,500	.01½	.02	.02	.02
1.96	.87	....	....	Steep Rock	75,950	1.57	1.74	1.55	1.73
.01½	.00½	....	....	Straw Lake	14,000	.01	.01	.00½	.00½
.13½	.05	.02	....	Sturgeon R.	1,200	.09	.09	.08	.08
1.70	1.05	.02½	....	Sud. Basin	500	1.42	1.45	1.40	1.40
.02½	.01½	....	....	Sud. Cont.	1,000	.02½	.02½	.02½	.02½
.65	.37	.09	....	Sullivan C.	1,750	.60	.61	.60	.60
1.98	.97	.20	16.6	Sylvanite	3,300	1.21	1.25	1.16	1.20
2.34	1.18	.40	23.5	T. Hughes	9,260	1.73	1.75	1.65	1.65
.03½	.02½	....	....	Temiskaming	2,400	.03½	.03½	.03½	.03½
1.10	.45	.11+.02	..	Toburn Gold	400	.65	.60	.53	.60
.13	.08	....	....	Towagmac	120	.08	.09	.09	.09
.50	.23	....	....	Trans. Res.	600	.27	.35	.31	.35
				U, V, W, Y					
.07	.01	....	....	Uchi Gold	2,300	.06½	.07	.07	.07
1.24	.41	.10½	....	Upper Can.	12,400	.79	.83	.75	.76
5.00	2.90	.25	....	Ventures	1,485	4.10	4.20	4.00	4.00
4.80	3.00	.40	....	Waite Am.	1,183	3.25	3.40	3.30	3.30
.04½	.01½	....	....	Whitewater	13,500	.03	.03½	.03	.03
.02½	.00½	....	....	Wiltsey C.	5,200	.01½	.02½	.02½	.02½
.04	.01	....	....	Wood Cad.	500	.01½	.01½	.01½	.01½
2.90	1.75	.40	17	Wright-Har.	5,850	2.50	2.50	2.32	2.35
.06½	.02½	....	....	Ymir Girl.	10,700	.05½	.06½	.05½	.05½

Oil Stocks

Range 1942 High	Low	Div. Rate $	Dec. 5 Yield %	Company	Sales	Last Nov. 30	High	Low	Close
.10	.05	....	....	Alta. Pac. C.	150	.07	.10	.08	.10
.16	.08	....	....	Ajax	2,500	.14	.14	.10	.10
.03½	.02	....	....	Anaconda	5,500	.02	.03½	.03	.03½
.56	.32	.04	....	Anglo Can.	6,400	.45	.48	.42	.44
.29	.09	....	....	Br. Dom.	27,400	.24½	.24½	.22½	.23
1.20	.78	.10	....	Calg. & Ed.	3,650	1.10	1.16	1.10	1.15
.22	.10	....	....	Calmont	9,000	.20	.22	.20	.20
.30	.18	....	....	Common P.	1,900	.20	.21	.20	.20
.30	.12	....	....	Dalhousie	800	.20	.23	.19	.23
.17½	.07	.01	....	Davies Pete	5,000	.10½	.11½	.11	.11
.04	.01½	....	....	East Crest	6,600	.03	.03½	.02½	.03½
.85	.55	....	....	Foothills	1,920	.85	.78	.70	.70
.20	.07	....	....	High Sarcee	3,152	.10	.10	.08	.10
2.70	2.00	.15	....	Home	17,480	2.38	2.55	2.32	2.42
.07	.02	....	....	Homestead	700	.02	.02½	.02½	.02½
.01½	.00½	....	....	Madison	1,000	.01	.01½	.01½	.01½
.01½	.01	....	....	Marjon	18,000	.01½	.01½	.01½	.01½
.07	.02½	....	....	McD. Segur	12,500	.04	.07	.04	.05½
.05½	.03½	....	....	Mercury	1,000	.04½	.04½	.04½	.04½
.07	.05½	....	....	Mill City	200	.06	.05½	.05½	.05½
.20	.13	.03	....	Model	3,500	.15	.20	.18	.18
.03	.01½	....	....	Oil Select	500	.02½	.02½	.02½	.02½
.40	.20	.02	....	Okalta	3,900	.35	.37	.33	.33
.04½	.02	....	....	Pacalta	73,000	.03½	.04½	.03½	.04½
.25	.14	....	....	Pacific Pet.	10,400	.21	.23	.18	.21
.01½	.02½	....	....	Royal Can.	10,400	.03½	.04	.03½	.03½
20.12	16.00	1.00	4.8	Royalite	329	20.12	21.00	20.00	20.75
.20	.10	....	....	South West P.	200	.20	.15	.15	.15
.06	.03	....	....	United Oils	4,900	.04	.06	.05	.05
.13	.05½	....	....	Vermilata	18,500	.10½	.12	.10½	.10½

* Yield including bonus. † Paid in 1942 to date. *Paid in 1941.

Volume of Stock Sales

	Montreal Markets Indust.	Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Dec. 8	9,700	2,900	148,000	......
Dec. 7	13,300	8,500	163,000	17,190
Dec. 5	7,300	6,400	75,000	15,000
Dec. 4	18,700	5,700	279,000	35,303
Dec. 3	25,500	3,500	274,000	29,091
Dec. 2	22,500	15,800	309,000	25,850

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Dec. 8, 1942

%	Due	Bid	Ask.	Approx. Yld.
Dominion of Canada Bonds				
3½	June '43	100½	101	...
5	Oct. '43	103	103½	.97
2	June '44	100¾	101½	1.22
1½	Sept. '44	99¾	100½	1.41
2½	Jan. '44	100½	100¾‡	...
4½	Oct. '44	105½	105¾	1.38
3½	Nov. '44	101¾	102½	1.40
a2½	Aug. '45	100½	‡100¾	b1.85
4	Oct. '45	102¾	102¾	...
2	Mar. '45	100¾	101½	1.50
2	Dec. '46	99¾	100½	1.94
4½	Feb. '46	107½	108½	1.85
2½	Mar. '48	99¾	100½	2.22
1½	May '46	99½	100	1.75
3½	June '49	102¾	103½	b2.28
3½	Oct. '49	102½	103	b1.90
3½	Nov. '51	101½	102	b2.88
3½	Feb. '52	102½	102¾	a2.86
a5	May '52	101½	102‡	b
4	Oct. '52	105¾	106¾	b2.62
a3	June '51	100¾	101½	2.96
3	Oct. '52	99¾	100½	2.98
3	June '55	99½	99½	3.02
a3	Nov. '56	99½	100	3.06
4½	Nov. '56	106½	107	b2.71
4½	Nov. '57	107½	107¾	b2.85
a3	Mar. '54	99¾	100½	3.07
4½	Nov. '57	107½	107¾	b2.85
3	June '58	99¾	99¾	3.02
4½	Nov. '58	108½	108¾	b2.88
4½	Nov. '59	109½	109¾	b2.95
a4	Oct. '60	106¾	‡107½	b2.93
a3½	Jan. '61	101¾	102½‡	3.05
3½	June '66	101½	101¾	b3.09
a3e	Jan. '67	97½	98½‡	3.10
a3e	Nov. '68	97½	98‡	3.40
†3	Perpet'l.	94½	84½	3.17
Dominion Guarant'd Bonds				
Can. Natl. Railways:				
2	Feb. '43	100	100½	...
2½	Jan. '46	100¾	101½	1.83
3	May '44	101¾	102½	1.39
3	Dec. '50	99¾	100½	2.83
3	Jan. '59	98¾	99½	3.04
*4½	Sept. '51	117½	118¾	2.16
*4½	Feb. '56	119	120	2.72
4½	July '57	119½	120½	2.83
3	Feb. '53	99½	99¾	3.03
4½	June '53	121½	123	2.61
5	Feb. '54	117½	118½	3.07
*5e	July '69	118	119	...
*5e	Oct. '60	122¾	123¾	b1.97
*5e	Feb. '70	122¾	124	b2.05
Can. Nat. W. Ind. S. S.:				
*5	Mar. '55	122¾	124	2.68
Provincial Gov't Bonds				
Grand Trunk Pacific Rly.:				
3	Jan. '62	104	106	2.61
New Brunswick:				
3	Oct. '51	94½	96½	3.45
3½	Aug. '49	96	98	3.57
3½	June '56	96	98	3.68
c4	Nov. '47	109½	111	b.41
c4½	Apr. '61	110	113	3.53
c5	Jan. '60	113	115	3.82
Nova Scotia:				
3	Jan. '52	98	99½	3.06
3½	June '56	99½	101	3.16
3½	Nov. '50	101½	102½	3.18
c4½	Sept. '52	112	114	...
c4½	Nov. '60	115½	117½	3.22
c5	Mar. '60	120	122	3.33
Ontario:				
2½	May '45	100	101	2.11
3	Apr. '48	100½	101½	b2.61
3	Nov. '50	99½	100½	b2.95
3½	Nov. '51	100½	101½	b3.05
3½	May '55	100½	101½	b3.10
*4	June '62	114	116	2.92
4½	June '50	109	110	3.04
*4½	Jan. '62	119	121	3.06
5	Oct. '48	109½	110½	3.05
*5	Dec. '60	126	127½	3.01
5½	July '46	108½	109½	2.77
Ont. Hydro Commission:				
3	Aug. '48	100½	101	b2.65
3½	Feb. '53	100½	101	b3.02
3½	Apr. '47	103½	104½	2.48
Prince Edward Island:				
4	Mar. '54	102	104	3.57
Quebec:				
3	Nov. '47	99	100	3.00
3½	Mar. '48	99½	100½	3.20
3½	Mar. '59	98½	99½	3.52
4	Nov. '52	102¾	103½	b3.46
3½	Feb. '55	100½	101½	b3.53
4½	Aug. '58	106	107	.367
4½	Jan. '63	110½	111½	3.70
Alberta:				
4½	Oct. '56	75	77½	d
4	Dec. '54	74½	76½	d
*5	Oct. '59	76	78	d
c5½	Apr. '52	75½	78½	d
6	Mar. '47	77½	79½	d
British Columbia:				
4	Dec. '57	107	109	3.23
*4½	Jan. '51	112	113	2.74
c4½	Oct. '53	111	113	3.10
c5	Apr. '54	115	117	3.21
5½	Feb. '45	104½	105½	2.80
6	Feb. '47	109½	111	3.21
Manitoba:				
c4	Dec. '57	101	103	3.73
c4½	Dec. '56	105	107	3.85
*5	Dec. '59	107½	109½	4.21
5½	Oct. '55	110	111½	4.33
6	Apr. '47	107	109	3.80
Saskatchewan:				
4	Sept. '54	86	88	5.39
4	Nov. '60	85	87	5.02
c4½	Oct. '51	93	96	5.07
c4½	Mar. '60	91	93	5.11
5	Aug. '58	92	95	5.47
5½	Oct. '52	97	98	5.83
6	Mar. '52	99	101	5.86

*—Payable Can., N.Y. and £. b—Calculated to call date giving lowest possible yield. c—Payable Can. & N.Y. a—Payable N.Y. †—Callable on or after Sept. 15, 1966. d—Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e—Callable at a premium. ‡—N.Y. funds. ↓—Calculated at 1950 average maturity. a—Callable on or after earliest maturity shown and payable at maturity at 101.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Dec. 8, 1942

Industrial:	Bid	Ask.
Acme Farm. pf.	58	..
Andian National	18	21
Anglo C. Tel., A	7	8
Atlas Steels, c.	17½	22
Do., pref.	100	..
B. C. Pulp, c.	8¾	10
Do., pfd.	60	65
B. C. Sugar	59	61½
B. C. Tel. p.	103	..
Brown com.	1½	1½
Do., pfd.	19½	22
Burns & Co., A.	5½	7
Do., B.	3½	4½
Can. Airways	1½	2
Can. Indust. A.	150	154
Can. Co-op. Wool	8	9½
Can. Mach. c.	7	10
Can. Ing. Rand.	61	64
Can. Mot. L.A.B.	6	7½
Cap. W. Cloth.	5	..
Do., pref.	18	..
Col. Realty	2½	..
Chase, A. W., p.	17	19
Colonial Steam.	45	50
Corr. Pap. Box c	1½	2½
Coll. Term. c.	2	..
Dunlop T. p. $25	16	18½
Easy Wash. p $10	8	10
Fed. Grain	.80	1½
Do., pref.	39	41
Galt Brass, c.	10	12
Goderich Elev.	7½	8½
Guard. Realty, p	11	14
Guelph Carp., c.	13½	16
Gurney Fdy., p.	1½	1½
Hart Battery	5½	..
Hayes Steel, c.	12	13½
High. Dairy	..	1½
Do., pref.	..	45
Inglis, John	6	7
Ingram & Bell p	87	..
Kingst. Ship., c.	11	..
Loblaw Inc. c.	11½	13½
Minn.&Ont. p. c.	3½	4½

	Bid	Ask.
Mt. Royal H. c.	2½	3½
Morrison Br. un.	6	..
M'row Screw p.	100	103
Do., com.	14	16
Neilson, c.	10	..
Neilson, Wm. p.	101	..
N. Meth. Ldy. p.	73	..
Ont. Tobacco, p.	16	18½
Prov. Paper, p.	90	95
Rel. Grain	4	7½
Do., pref.	75	..
Quinte Milk	2½	3½
Stand. Fuel, p.	47	51
Stedman, pf. $50	53	56
River Silk B.	1½	..
Sutton Horsley	1	1½
Tor. Carpet, c.	68	..
Un. F. Co-op.	3	5
Un. Steel, A. pf.	23	24½
Viceroy Mfg., c.	12½	..
Waterloo Mfg.	2	..
Trust & Loan Stocks:		
British Mtge.	112	122
Brockville Tr.	43½	..
Cap. Trust	28	32
Comm. Fin., co.	5	6½
Grey&Br. Tr. $50	43	..
Guaranty Trust.	100	102
Guelph & O. $50	50	52½
Indust. Mtge.	25	28
Lambton Loan	33	..
Lon. & W. Trust	30	32
Midland Loan	13½	15½
Premier Trust	23	25½
Sherbrooke Tr.	120	..
Sterling Trust	80	83
Th. Can. Inv. Tr.	1½	1½
Trad. Fin. A pf.	56	..
Trusts & Guar.	28	30½
Victoria Trust	61	68
Waterloo Trust	98	..
Insurance Stocks:		
Brit. Amer.	50	52½

	Bid	Ask.
Canada Life	310	327½
Canadian Fire	75	78
Confed. 30% pd.	125	130
Cons. Fire	3½	..
Continental L.	28	33½
Crown Life	248	284
Dominion Fire	130	136
D. of Can. Gen.	118	125
Dom. Life	175	200
Empire, 25% pd.	3½	5½
Excelsior 40% pd.	65	68½
Fed. Fire 25% pd	50	52½
Great-West Life	211	225
Halifax Fire	14	15½
Imperial Life	240	265
Manufac. Life	312	322
Monarch Life	30	34
National Life	7½	9½
Sov. L. 25% pd.	11	12
Sun Life	235	255
Tor. General	4½	5½
Wellington Fire.	58	..
Western Assce.	35	37
Do., pref.	40	43
Theatre Stocks:		
Allen's St. Cath. units	54	58
Do., Kingston.	63	65
Do., Toronto p	34	38
Manf. Theat., p	40	..
Para. Kitch. p.	50	..
Do., Oshawa, c	8	10
Investment Trust Shares:		
Sec's. Hold. pf.	17	19
Power Issues:		
Can. W. N. Gas	25	..
Do., pfd.	103	107
Gt. Lakes Pr. p	100	104
Int. Util. $1.75 p	7	..
Do., $3.50 p	26	..
Mtl. Is. Pwr. p	40	..

Unlisted Mines

Toronto, December 8, 1942

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Adnaron	.25	.27	Cheminis	.02½	.04	Lk Geneva	.04	.06	Orpit	.02	.03
Amal Kirk	.05½	..	Columb'e	.22	.23	Mag Cons	.23	.26	Pascalis	.14	..
Anoki	.02	.03	De Sant'n	.02½	.03	Maj Mica	.30	.33	Port Cold	.23	.26
Arjon	.02½	.05	Eastward	.06	.08	Martin B	.02	.03	Propri'y	3.90	4.20
Armistice	.12	.15	Goodrock	.25	.27	Mat Cons	.07	.11	Que Man	.20	.22
Area	.05	.07	Hayes Cad	.02¾	.03½	McMarm	.13½	.15	Rand Mal	.09	.10½
Barb Lard	.01½	.02¾	Hoyle new	.07	.08½	Mosher	.06	..	Springer	.13½	.15½
Brock	.04½	.05½	Hugh P P	.02	.03	Nat Mal	.17	.20	Stadacona	.05	.10
Clif Cons	.21	.23	Kirk Town	.04	..	Nor Tin	.16	.17	Tom Iron	.60	.65
Cent Man	.02	.03	Laguerre	.04	..	O'Lry Mal	.02	.03	Yg David	.17	.20

OIL ROYALTIES

Producing Wells — Prices and Payments

	‡Oct. daily allow. bbls.	Sept. daily allow bbls.	Aug. pay. 1% $	Sept. pay. 1% $	Oct. pay. 1% $	Total to Oct. 31 1% $	Offering price per 1% $
Ace No. 1 gross	525	525	319.32	305.12	197.47	3,773.14	....
Alta. Oil Inc. No. 1 gr.	82	82	32.60	32.80	18.80	3,517.20	....
Do., No. 1 net	82	82	26.00	22.40	22.00	4,016.80	800
Do., No. 2 gr.	485	485	234.40	210.80	161.20	4,005.60	....
Do., No. 2 net	485	485	168.00	150.40	107.60	5,783.00	....
Allied No. 1 pfd.	116	116	47.00	29.00	41.00	1,451.60	1,400
Arrow No. 1 net	95	95	38.12	42.92	23.97	733.15	....
Do., No. 2 net	186	186	70.00	51.00	54.00	1,457.20	1,800
Atlas-Br. D. No. 2 pfd.	654	654	329.20	293.20	224.80	2,047.60	7,200
Atlas-Br. D. No. 3 pfd.	....	....	....	....	....	....	3,000
D. & D. net pfd.	75	75	26.80	30.00	32.00	1,309.80	1,000
East Crest No. 5	130	130	59.20	49.60	40.20	286.40	1,400
Independent No. 1 p.	220	220	103.03	93.03	30.80	1,944.25	3,000
Do., No. 1 gr.	220	220	89.75	78.82	97.40	2,040.18	....
Major Oil No. 1 pfd.	108	108	46.00	40.00	30.80	620.80	....
Do., No. 1 gr.	108	108	54.80	43.20	41.20	1,513.80	....
Do., No. 2 net	578	578	289.60	154.40	156.80	4,333.40	5,200
Do., No. 2 gr.	578	578	277.60	259.60	233.20	5,593.60	....
Do., No. 3 net	825	825	283.20	259.20	248.40	5,748.60	....
Do., No. 3 gr.	825	825	380.80	374.80	....	....	....
Do., No. 4 pfd.	299	299	144.00	137.20	106.00	2,049.20	3,500
Do., No. 4 gr.	299	299	128.40	128.40	99.20	3,333.60	....
Do., No. 7 pfd.	650	650	....	....	264.80	264.80	7,500
Do., No. 7 dfd.	650	650					3,800
Do., No. 7 gr.	650	650	290.80	292.40	280.00	1,034.80	....
Do., No. 8 pfd.	529	293					4,700
Do., No. 8 gr.	529	293	176.40	190.80	152.40	528.40	....
Do., No. 8 dfd.	529	293					2,200
Do., No. 9 gr.	427	427	230.80	181.60	153.20	560.80	....
Do., No. 9 pfd.	427	427	....	....	....	....	3,400
Do., No. 9 dfd.	427	427					2,400
Miracle No. 1 net	415	415	139.53	124.27	119.75	4,583.05	4,300
Do., No. 1 gr.	415	415	178.12	170.40	174.00	4,525.80	....
Do., No. 2 pfd.	304	304	132.63	166.62	125.28	1,150.22	3,600
Do., No. 2 gr.	304	304	133.38	149.60	110.80	722.32	....
Renown No. 1 pfd.	95	95	52.69	36.78	38.59	212.62	....
Winalta No. 1 pfd.	81	81	46.80	30.80	28.80	3,440.30	1,000

*Approximately 25% over dealers' list prices.
‡November and December allowances in barrels not generally released.

Drilling Wells — Prices and Depths

Well:	Drilling depth ft.	Offering price per 1%	Well:	Drilling depth ft.	Offering price per 1%
Bonaventure pfd.	7,128	$2,300	Northend No. 1 pfd.	8,705	3,100
Bonaventure gross	7,128	3,800	Northend No. 1 dfd.	8,705	1,600
Major Oil No. 6 pfd.	8,022	5,700	Northend No. 1 gr.	8,705	4,300
Major Oil No. 6 gr.	8,022	7,900	Northend No. 2 pfd.	6,450	2,800
Miracle No. 3 pfd.	7,699	4,800	Northend No. 2 gr.	6,450	4,600
Miracle No. 3 gr.	7,699	6,300	National Vulcan No. 1	4,482	*4,375
Northclonmel No. 1 pfd.	8,291	4,200	New Ranchmen's pfd.	1,770	*3,200
Northclonmel No. 1 dfd.	8,291	1,800	Empire pfd. (Ont.)†	....	*1,100
Northclonmel No. 1 gr.	8,291	5,900	Hi-Test Pet. pfd.†	....	*3,600
			Kinsella Ltd.†	....	*2,100

*Pegged price. †Acreage royalty.

STOCKS NOT TRADED THIS WEEK

	Div. rate $	Last sale	Dec. 7 Bid	Ask
A				
Abitibi 7% p	...	13½	12	13½
Acme Glove	...	3	2½	4
Do., pref.	6.50	50	45	60
Agnew Surp.	.80+.20	11	11	..
Do., pref.	7	109	109	..
Algoma Steel, pf.	5	79½	81	..
Amal. Electric	.50	6½	7½	..
Amer. Cyn. B.	.60	37	33	..
Ang. Can. Tel. p.	2.75	42	41	47
Assoc. Brew., p.	7	109	110½	..
Assoc. T. & T.A.	...	1	1	..
Do., pref.	...	14½	12	..
B				
Barber Ellis	.47½	8½	6	
Barker's Bread, c.	...	.75	.50	1.00
Beath & Sons	.80	5	5	7
Beaver Lumber	...	05	2½	..
Do., pref.	...	105	103	..
Belding Cort.	4+2	80	..	82½
Do., pref	7	116½	116	..
Bertram & Sons	.30+.10	6½	6½	..
Biltmore Hats	.60	6	4½	6
Blue Top Br. A.	.60	10	10	11
Do., "B"	...	10	10	..
Brand, Hender.	...	3½	3	..
Brant, Cord. pf.	1.30	22	24	24¾
Brew. & Distil.	.50+.10	5½	5½	..
Bright T. G.	...	6½	4½	..
Do., pref.	6	90	90	..
Bruck S. Mills	.40	4¾	4¾	5½
C				
Caldwell Linen, c.	...	..	4½	..
Calgary Power, pf.	6	97¾	99	100
Canada Bread pf.	6	100	100	..
Do., pref. (B)	2.50	34	36	40
Can. Cr. Stone	.40	5¾	3¾	..
Can. Forg. (B)	1.50	19½	19½	..
Can. Iron	...	55	..	..
Do., pref.	6	81½	..	..
Can. Starch	.50	8½	8	..
Do., pref.	7	113	108	..
Can. W. Cable (B)	2	18	17½	18½
Can. Bakeries, c.	...	2.50	2.00	3.00
Can. Bronze, pf.	5	105½	105½	..
Can. Canners, c.	.50	5½	5¾	..
Can. Celanese rts.	1	22	22	23
Can. Cottons, pf.	6	115	114½	..
Can. Fairb. pf.	6	100	100	..
Can. For. Inv. pf.	8	105½	105	..
Can. Indust. pref.	7	160	159	162
Can. Int. I. Tr.	...	.25	.10	..
Do., pref.	2	36	35	..
C. Pr. & Pa. In.	...	.07	.25	..
C. Tube & Stl. c.	...	6	5	6
Do., pref.	7	105	99½	110
C. Wallpaper A	1	9½	9	..
Can. West'ho'se	2	35	37½	40
C. Wire Box	1.50+.50▲	17½	17½	20
Capital Estates	...	1.01	1.05	..
Carnation pfd.	4	113	116	..
Catelli Food	...	8	8	9½
Do., pref.	...	75	10½	..
Celtic Knit	...	1.70	1.50	..
Cent. Can. L'n.	8	145	..	130
Chart. Trust	4	95	..	89
Claude Neon	...	.05	.02	.05
Conduits Nat.	.40	3½	3½	4
Cons. Div. Sec. c.	...	15	..	15
Cons. Sand pf.	3.50	72	75	81½
Crown Cork	2	25	22	25
Crown Dom. Oil	...	1.25	1.25	..
Cub Aircraft	...	.40	.40	.60
D, E				
Dairy Corp.	...	..	1.25	..
Do., pref.	...	..	15	..
David & Fre. A.	1+.15	9½	9	10
Do., (B)	...	1.50	.50	..
deHavilland	...	8½	2½	3
Do., pref.	7+7▲	85	75	..
Disher Steel	...	1.05	.75	1.00
Do., pref.	1.50▲	6	7½	10
Dom Ang. Inv.	4	30	22	..
Do. pref.	5	75	75	84
Dom. Envelope c.	...	6	..	7½
Do., pref.	7	90	..	90
Dom Fabrics	...	...	7½	..
Do., pref.	...	...	49½	..
Do., 2nd pref.	...	...	22	..
Dom. Found., pf.	6	105	107	107½
Dom. Scot. Inv. pf.	2.50	23½	22	27
Dom. Square	...	1½	1½	..
Dom. Textile, pref.	7	151	151	..
East Koot. Pr. c.	...	.50	.10	..
Easy Washing	...	3	3	4½
Economic Inv.	2	25	21	21½
English Elect. (B)	...	3½	3	4
F, G				
Federal Grain	...	.40	..	1.25
Fleury Bissell, pf.	...	10	10	14
Ford Motors (B)	1	20½	20	..
For. Pr. Secs.	...	.10	.10	..
Freiman	...	.50	.50	..
Do., pref.	1.50	55	55	..
Gt. Lakes Pap.	...	2½	1	..
Do., pref.	1.50	16	5	20
Gt. W. Saddlery, c.	...	3½	3½	4
Gurd. Chas.	...	5	4½	5
Do., pref.	...	70	..	..
H, I,				
Halifax Fire	1	14½	14	14½
Ham. Cot., pf.	2	31	31	..
Harding Carpet	1.20+.10	4	3½	4
Hinde & Dauch	1	13	13½	15
Holt Renfrew	...	5	5	8
Do., pref	...	45	40	..
Home Invest. new	...	..	5	..
Hunts (A)	...	6	..	7½
Huron & E. Mt.	4	50	50½	..
Do., 20% pd.	.80	7½	7½	..
Hydro Electric	...	1.10	1.10	1.50
Imperial Life	15	..	..	274
Imp Varnish	.50+.20	7½	8	8¾
Do., pref.	1.50	26½	27½	28½
Inter'c Coal	5	35	35	..
Do., pref.	8	120	..	..
Int. Mill., pf.	6	111½	113	..
Int. Paints, pref.	1+.50▲	15	15	20
Int. Pap. & P.	...	11¾	..	..
Do., pref.	5	52½	49¾	..
J, K, L				
Jam. Pub. Ser.	.68	13½	..	12½
Do., pref.	7	101½	101	..
Kelvinator	...	8	8½	9
Langley's, pref.	2	20	19½	24½
Levy Bros.	.10	2½	2½	..
Lindsay, C. W., pf.	2	51	50	..
M				
Mackenzie Air	...	1.00	..	..
Mackin Steel, pref.	5	60	55	65
M. L. Gardens, pf.	.40	4½	4½	6½
Maritime Tele.	.80+2½	15½	..	15
Do., pref.	.70	16½	..	..
Marcus Loew's	...	17½	23	..
Do., pref.	7	95	96½	..
McColl Fron., pf.	6	90	90	100
Melchers, pref.	.60	6	5½	6½
Mitchell, J. S.	2.50	39	39	..
Mod. Contain. c.	1.20	14	14	16
Do., pref.	5.50	92	92	100
Monarch Knit	...	3	3	..
Do., pref.	...	..	62	70
Montreal Cot.	4	66	..	..
Do., pref.	2	110	114	..
Mont. Is. Pr.	...	25	..	..
Moore Corp. pf. (B)	7	246	..	..
Muirheads, pref.	...	1	2½	..
N, O				
Nat. Brew., pref.	1.75	38	36	38
Nat. Grocers	.40	6½	6½	6½
Do., pref.	1.50	25½	25	25½
N. Sew. Pipe A	...	9½	9½	10¾
National Tr.	8	123	120	132
North Star Oil, c.	...	.60	.60	.65
Nor. C. Mtge. units	.50	6	5½	..
North. Mtge.	.50	.75	.75	..
North. Trusts	...	7	6	..
N.S.L. & Pr.	6	78	83	88
Do., pref.	6	106	106	..
Ogilvie Flour, pref.	7	151	149½	..
Ontario Loan	5	105	103¾	113¾
Ont. Silknit	...	..	..	2
Do., pref.	3	24	32	38
Do., Scripts	1	12	13	..
Ont. Steel	1	9	..	10
Do., pref.	7	110	110	115
Orange Crush	...	.50	.50	..
Do., pref.	...	1½	1½	..
Ottawa El. Rly.	2+.30	22	21½	..
Ott. L.H. & Pr.	.60	6	5	6½
Do., pref.	5	82	80	84
P, Q				
Pantepec Oil	...	4½	4½	6½
Paton Mfg.	4	30½	37½	..
Do., pref.	7	113	112	..
Penmans, pref.	6	120	122	..
People's Cr. Sec.	.25	5	4½	5½
Photo Eng.	1	11	11½	15
Porto Rico Pr. p.	7	97	98	..
Power Corp., pf.	6	78	75	80
Pressed Metals	...	4	4½	4¾
R				
Real Estate L'n	2	25	25	..
Regent Knit, pf.	1.60	18	17½	21
Reliance Grain	...	3½	3½	..
Do., pref.	6.50+1.62½	72	73	..
River S. Mill	2	22½	20	22
Rolland Pap.	.60	7½	6	..
Do., pref.	6	88	..	90
Russell Indust., c.	.80	12¾	12¾	15
S				
Sangamo	1	24	..	34
Sarnia Br. (A)	...	7	7	9
Scythes & Co.	1+.50	15	14½	19¾
Do., pref.	1.75	24½	25	..
Sher. Wms., pref.	7	112	110	114
Simon & Sons, pref.	7	103	101½	103
Simpson A.	...	6	6	7
So. Can. Pr., c.	.80	10	10	10½
St. Law. Flour	1.40+.30	23	..	26½
Do., pref.	7	115	115	..
Stand Clay	...	1	2½	10
Stedman Bros.	.60+.60	15	15½	20
Sterling Coal	...	2½	..	5
Stop & Shop	...	.25	.15	.25
Stuart, D. A. pf.	.80+.20	11¾	10	12
Supersilk. H. A.	...	..	..	2
Do., (B)	...	2¾	..	3
Do., pref.	5	64	..	68
Sup. Pete. Ord.	1	18½	17½	20
Do., com.	1	18¾	..	32
T, U, V				
Thayers	...	1.25	1.25	..
Do., pref.	3.30	18	..	38½
Thrift Stores	...	2½	2½	3½
Do., pref.	...	15	14	..
Tooke Bros., pref.	...	25	20	26
Tor. Elevators	3	21	22	23½
Do., pref.	2.62½	50	49½	..
Tor. Mtge.	5	68	68	86
Traders Bldg.	...	44	44	..
Twin City, pref.	3.50	28½	..	..
Un. Amuse, A.	.80	13½	13½	..
Do., (B)	.80	13½	13½	..
United Distill.	.10	1.05	1.25	1.75
Viau Bisc.	...	3	3	..
Do., pref.	5	47	47	..
W, Y, Z				
W. Koot. Pr. p.	7	136	135	..
West. Grain p.	...	5	..	7
West Grocers	3+2	48	50	..
Do., pref.	7	113	110	120
Weston George, pf.	5	92	92	98
Wilsils	1	16	17	..
Wood, A&P, p.	7	69	65	70
Zellers, pref.	1.50	25	24	25

▲On arrears.

Mining Stocks

	Div. rate	Last sale	Dec. 7 Bid	Ask
A				
Amm. Gold	...	.00½	.00¾	.01
Argus Interests	...	.27	.27	..
Arno	...	.01	..	.02
B				
Bayonne	.01	.04	.02	.04
Berens River	.12	.60	.60	..
Bcuscadillac G. M.	...	.01½	.01	.02½
Brazil Gold	...	.03	..	..
Brett Trethewey	...	.00½	.00½	..
Bunker Hill	...	.01½	..	.03
C, D				
Camp Bird	...	.02	.01½	..
Cartier Malartic	...	.01	..	..
Castle Trethewey	...	.50	.49	..
Cen. Cadillac	...	.03	.03½	.06
Dentonia	...	.00¾	.00½	..
Duquesne	...	.04	.03	.04
F, G				
Fairview Amal.	...	.00½	.00½	.00¾
Flin Flon G.	...	.01½	.01½	.02
George Copper	...	.15	..	..
Gillies Lake	...	.03	.02½	.03
Glenora	...	.00½	.00½	.01
Golconda	...	.04	.04	..
Goodfish	...	.01	.01	.01½
Graham Bosquet	...	.01½	.01½	.02¾
Grandora	...	.05	.04	..
Grandview	.02	.11½	.12	.14
Gt. Falls M.&S.	...	.06	.01½	.06
Gurney Gold	...	.01	..	.01
H, I, J				
Halcrow Swayze	...	.01½	.01½	.02
Home Gold	...	.00½	.00½	..
Indian Mines	...	.01½	.01½	..
Jacola	...	.00½	.00½	..
Jack Waite	...	.07	.06	.10
J. M. Cons. Gold	...	.00½	.00½	.01
K, L				
Kerr Lake	▲.05	.22	.05	.50
Kirk. Gold Rand	...	.01	.01	.03
Lebel Oro	...	.01	.00¾	.01½
M				
Man. & Eastern	...	.00½	.00½	.00¾
Maralgo	...	.02	.02	.03
McLellan Gold	...	.02½	.01½	.01¾
Mentor Exploration	...	.20	..	..
Minto	...	.00½	.00½	..
N, O				
Negus Mines	...	.40	.35	.45
Nicola	...	.00½	.00½	..
Norgold	...	.03	.03	.04
P, Q, R				
Pandora	...	.01½	.02	.03½
Partanen Mal.	...	.01½	.01½	.02½
Prospectors Air's	...	.15	.11	..
Quebec Gold	▲.02	.20	.22	..
Quemont	...	.02	.04	.06
Red Crest	...	.00½	.00½	.02
S, T, U, W, Y				
Salmon Gold	...	.00½	..	..
Shawkey	...	.00½	.00½	.02
Sigma Mines	.60	5.00	4.80	5.50
Surf Inlet	.01	.06	.01½	..
Taylor Bridge	...	.02	.02	.04
Uchi Gold Bonds	...	28.00	24.00	38.00
Wellington	...	.01½	.01	.02
Wendigo	.03	.18	.18½	.23
Wpg. River Tin	...	.00¾	..	.00¾

Oil Stocks

	Div. rate	Last sale	Dec. 7 Bid	Ask
Acme Gas & Oil	...	.11½	.05	.07
Amalgamated	.04	.15	..	..
Brown Oil	...	.04¾	.04½	.05
Commoil	...	.13½	.14	.20
Federated Pete	.01½	.32	..	..
Grease Creek	...	.01	.00½	.02
Marvel Oils	...	.04	.02½	.04½
National Petroleum	...	.03	.04½	..
Nordon	...	.04	.03½	.04½
Petrol Oil & Gas	.04	.25	..	..
South End	...	.02½	..	.03
Spooner	...	.03	.01¾	..
Sunset	.03	.07	.06½	..
Texas Can.	...	.95	.75	1.00
Vanalta	...	.04½	.04¾	.06
Vulcan	...	.17	.16½	.25

▲Paid in 1941.

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

December 8, 1942

Public Utility Issues:	Int. % Rate	Due	Dec. 8 Bid	Ask.	Dec. 1 Bid
▲Alg. Cen. H.B.R.	5	'59	19½	21½	20
†Assoc. Tel. & T.	5½	'55	80½	83	78½
B. C. Power	4½	'60	99	101½	99
B. C. Tel.	4½	'61	105½	107½	105
†Calgary Pwr.	5	'60	111½	113½	111
Do.	5	'64	105	107½	105
†Can. Nor. Pwr.	5	'53	98½	101½	97½
*Dom. Gas & El.	6½	'45	108	111	108
Gatineau Pwr.	5	'49	100½	102½	100
•Do., A	3½	'69	101	103	101
‡Do., B	3½	'69	98½	100½	98½
Gt. Lakes Pwr.	4½	'56	101	103½	101
Do.	5	'57	98½	101	98½
*Int. Hydro-El.	6	'44	48	51	46
▲Inter. Power	6	'55	100½	..	100½
L. St. Law. Pwr.	5	'55	100	102½	100
Macl'n-Que. Pr.	4	'59	100½	102½	100½
Mtl. L. H. & Pr.	3½	'56	102½	104½	102
Do.	3½	'73	100	102	99½
Do.	3½	'63	101	103	101
†Mtl. Tramways	5	'51	101½	103½	101½
†Do.	5	'55	87	89½	87
Nat. Lt. & Pwr.	6	'49	101½	104	101½
N. S. Lt. Pr.	4	'57	101½	103½	101½
Ottawa L.H.&P.	4	'57	102½	104½	102½
Ottawa V. Pwr.	5	'59	101	103	101
†Power Corp.	4½	'59	91	94	90½
Quebec Pwr.	4	'62	102	104	101½
•Saguenay P.	4½	'66	108	110	108
‡Do., B	4½	'66	106	108	105½
St. Maurice Pr.	4½	'70	103½	105½	103½
Shaw. W. & Pr.	4	'61	104	106	104
Do.	4	'69	104	106	104
Union Gas	4½	'50	96	99	95½
•Twin C. R. Tr.	5½	'52	96	98½	94
†United Secs.	3	'52	94½	97	94½
‡Wpg. El. ser. A.	5	'65	91	93½	88
Do., B	5	'65	82	85	80
†Abitibi P. & P.	5	'53	57	60	56

Corporation Bonds (Cont'd)

Industrial and Realty Issues:

	Int. % Rate	Due	Dec. 8 Bid	Ask.	Dec. 1 Bid
Do., C.O.D.	5	'53	53½	56½	53
Acadia Sugar	4½	'55	101	103	101
Do.	6	'54	95	97½	95
†Alta Pa. Grain.	6	'46	105	..	103½
Algoma Steel	5	'48	103	106	103
Atlantic Sugar	4	'51	101	103	101
†B. C. Pulp & P.	6	'50	85½	..	83½
‡†Do.	7	'50	116½	..	115½
•Brown Co.	5	'59	75	78	75
Burns & Co.	5	'58	72½	75½	71½
Canada Cement	4½	'51	103	105	103
Canada Electric	4½	'65	96	99	96
Can. Paper	4½	'52	99½	101½	99½
Can. Steamship.	5	'57	102	104½	102
Can. Canners	4	'51	101½	103½	101½
*Can. Int. Paper.	6	'49	105	107	104
‡Can. Locomotive	6	'53	96½	99½	96½
‡†Candn. Vickers	6	'47	97½	100	94½
C.P.R.	3½	'51	96½	98½	96½
Do.	4	'49	101	103	100½
Col. Steamships	6	'54	101½	103½	101½
†Consol. Paper	5½	'61	80½	83½	80
Dom. Coal	4½	'52	97½	100	97½
Dom. Scott. Inv.	4	'52	98	101	98
Dom. Stl. & Co.	6½	'55	102	105	101½
Dom. Tar	4½	'51	102	105	101½
Dom. Woollens.	6	'53	97½	100½	98
†Donnacona Pap.	4½	'56	76	79	76
*Dryden Pap.	6	'49	103	..	102½
†East. Dairies	6	'49	77½	80½	73½
Famous Players	4½	'51	101	103½	101
†Federal Grain	6	'49	105	..	103½
†Fraser Cos.	6	'50	103	..	103
Galt Brass	5	'50	95	98	95
Gen. Stl. Wares	4½	'52	101	104	101½
*Gt. L. Paper	5	'55	91	94	90½
•Gurney Fdry.	5½	'49	84½	..	84
†Gypsum Lime	5½	'48	102½	105	102½
Ham. By-Pr. C.	5	'55	101	104	101
Do.	6	'56	100	103	100
Ham. Cotton	4½	'50	100	102	100
Inter-City Bak.	5½	'48	101½	103½	101½
Indust. Accept.	4	'52	83½	..	82½
Ins. Ex. Bldg.	3	'51	53	56	53
*Inter. P. Nfld.	5	'68	96½	99½	96½
*Inv. Bond & Sh.	5	'47	33	37	33
†Kingston Elev.	6	'50	104½	107½	104½
Lake St. J. P.	5½	'61	78	81	78
Do.	5	'61	47½	50½	48½
Legare	6	'61	88	91	88
Maple L. M.	3	'58	93½	96	90
Man. Sugar	5	'60	102½	105	102½
Massey-Harris	4½	'54	97½	100	97½
McColl-Fron.	4½	'49	99	101½	98½
McCormicks	4	'52	98	..	98
Do.	4½	'52	104	106	104
Mercury Mills	5	'59	95	98	95
Mersey Paper	5	'57	91½	94½	91½
†Do.	6	'49	92	95	91½
•M. & O. Paper	5	'60	103	105	100
Moirs Ltd.	6	'53	75	80	75
‡Mtrl. Drydocks.	6	'48	84	87	84
Montreal Apts.	4	'54	46½	49½	46
Nat. Grocers	4	'47	101½	..	101½
N. S. Stl. Coal	3½	'65	81½	84½	81
Price Bros.	5	'57	91	94	91
Do.	4	'57	70	74	67
*Prov. Paper	5½	'47	103½	106½	103½
Reliance Grain	4½	'52	99	101	97½
†Restigouche Co.	6	'48	102	..	102
Rolland Paper	4½	'51	101½	103½	101½
Ruddy, E. L.	6½	'48	76	..	70
Silv. Dairies	6	'66	94	97	94
Simpsons, Ltd.	4½	'51	100	102½	100
Smith, Howard	4½	'51	103	105½	102½
Stand. Lime	6	'44	98½	..	98½
Sterling Coal	6	'45	98	101	98½
Stop Shop	3	'47	62	65	63
United Amuse.	5	'56	100	102½	100
United Corp.	5	'53	93	96	93
*United Gas	5½	'48	105	..	105
United Gr. Grs.	5	'48	101	103½	100½
†Western Grain	6	'49	66	69	62

*Payable in Can. or U.S.
†Payable in Can., U. S. or U. K.
•Payable in U. S.
▲Payable in Canada only.
‡Traded without accrued interest.
↓Payable in Can. or U. K.

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & McDonnell, Toronto)

Bid and Asked as at Dec. 8, 1942, and change in bids from previous week.

Miscellaneous Stocks:	Bid	Ask.	Chge.
Allens Lond. The, pfd.	52	55	+½
Brantford Roofing, c.	1½	2½	—½
*Can. Gen. Rubber, pfd.	..	21	..
Can. Gen. Sec's., A. B.	7	8	..
C.P.R. 4% p. (£ par)	2	3	—½
Can. Paving, 1st pfd.	.90	..	+5c
Can. West. Lumber, c.	.15	.40	..
Cawthra Apts., pref.	2½	3½	..
Claude Neon, 7% pref.	2	3	+½
Collingw'd Term., pref.	3½	..	+½
Commer. Life, 10% pd.	5½	8	..
†Copeland Flour units	15½	17	..
Copland Brewing	.90	..	..
Dom. Life, 70% pd.	178	200	..
Dover Industries	6½	7½	..
Dubuisson Gold	.13	.16	+1c
Eastern Steel, 5% pref.	20½	21½	..
Federal Fdries, com.	.05	..	..
†Ft. Wm. Hotel, units	..	45	..
Hart Battery, com.	5	6	..
Loew's London Th. pfd.	7½	8	+½
Mont. Deb. Corp., pref.	2	..	..
Murphy Paint, com.	7½	9	..
Do., 5½% pref.	89	92	+½
Nat. Hosiery, com.	.90	1.30	..
Do., pref.	.95	1.25	..
†Nor. Amer. Elev. 1st pf.	67	..	—1
*Do., 2nd pfd.	..	..	—2
Do., com.	..	..	..
Que. Pulp & Paper, pf.	27	29	—½
Reanite Corp.	1	2½	..
P. L. Robertson, old c.	305	..	..
Sawyer Massey, com.	.10	.30	+5c
St. John Dry D. 5½% pf.	95	96	+½
Sincennes McN., com.	12	..	..
Supertest Pete., 8% pf.	26½	27½	..
Tip Top Tailors Inc. un.	7½	9	+½
Viceroy Mfg., 6% pref.	21½	23	..
West. Can. Hydro, pf.	11½	12½	..
Western Life, 20% pd.	11½	13½	+½
Windsor Hotel, com.	2½	3	..

*Issue carries arrears.
†Currently paying on arrears.

Investment Trusts

	Bid	Asked
Affiliated Funds	2.02	2.21
Can. Int. Trust	3.80	4.25
Can. Invest. Fund	3.20	3.50
Can. Investors	4.30	5.00
Corp. Investors	5.10	5.45
Trans-Canada	8.36	10.15

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$10.44	10.36	8.71
Hogs	16.50	16.49	14.75
Copper, lb.	*.12	.12	.12
Cotton, lb.	.2038	.2017	.1824
Sugar, raw, lb.	*.0374	.0374	.0350
Wheat, Man. (bu.)	.90⅝	.90⅝	.75⅛
Coffee, lb.	*.09⅜	.09⅜	.09⅞
Hides	*.15½	.15½	.15¾
Weekly Indices			
U. S. Labor	100.1	100.1	92.3
Dow Jones (fut.)	85.13	85.97	95.13
Wood, Gundy	78.8	78.8	75.1
Fishers	108.5	108.5	99.0
Monthly Indices			
Canada (D.B.S.):			
Retail (Nov.)	118.8	117.8	116.3
W'sale (Oct.)	96.8	96.0	94.0
U. S. (Sept.)	99.6	99.2	91.8
Gt. Brit (Sept.)	159.7	159.9	154.3

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price Toronto. Copper - electrolytic, New York. No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis.

*Ceiling prices fixed by the office of Price Administration.

Bond Tenders

Dec. 10, Canada Treasury Bills—$45,000,000 dated Dec. 11, 1942, payable Mar. 12, 1943.

Municipal Bonds

Dec. 8, 1942

	%	Due	Bid	Ask	Yld. %
†Halifax	5	1961	112.50	116.50	3.77
Hamilton	5	1950	110.25	113.25	3.00
Montreal	5	1945	[illegible]	98.00	..
Ottawa	4½	1945	104.00	105.50	2.35
†Quebec	5	1960	108.50	112.25	4.00
Saint John	5	1950	108.50	109.50	3.63
†Toronto	4½	1955	117.50	120.50	2.53
†Vancouver	5	1970	102.00	105.00	4.67
Winnipeg	5	1944	100.00	103.00	2.14

†Payable Can. & N.Y. *Flat.

Dividends Declared

	This payment $	Date payable	Date of record
Acme Glove, pfd.	3.25	Jan. 2	Dec. 18
Agnew Surpass, pf.	1.75	Jan. 2	Dec. 15
Amal. Electric	.30	Jan. 2	Dec. 15
Asbestos Corp.	.20	Dec. 30	Dec. 1
Do., bonus	.30	Dec. 30	Dec. 1
Amer. Cyan. A, B	*.15	Jan. 2	Dec. 12
Anglo-Huronian	.10	Jan. 22	Jan. 8
Assoc. Brew.	.50	Dec. 31	Dec. 10
Do., pref.	1.75	Jan. 2	Dec. 10
B.C. Elec. Pr. & G. p.	1.50	Jan. 2	Dec. 19
B.C. Power A	.50	Jan. 15	Dec. 31
Beatty Bros. A	.25	Jan. 2	Dec. 15
Do., 2nd pref.	3.50	Jan. 2	Dec. 15
Bank of N. Scotia	2.50	Jan. 2	Dec. 16
Barber-Ellis, c.	.12½	Dec. 15	Nov. 30
Do., pref.	1.75	Jan. 15	Dec. 31
Beattie Gold	.03	Dec. 23	Nov. 28
Belding Cort.	1	Jan. 2	Dec. 15
Do., pref.	1.75	Jan. 2	Dec. 15
Bell Telephone	2	Jan. 15	Dec. 23
Borden Co.	†.50	Dec. 19	Dec. 5
Brazilian Tr. p.	1.50	Jan. 2	Dec. 15
Brit. Amer. Oil	.25	Jan. 2	Dec. 10
Berens River M.	.03	Dec. 15	Nov. 20
Blue Top Brew. A.	.30	Dec. 31	Dec. 15
Bright, T. G. pf.	1.50	Dec. 15	Nov. 30
Bruck Silk	.10	Dec. 21	Nov. 28
Building Products	.17½	Jan. 2	Dec. 15
Do., extra	.10	Jan. 2	Dec. 15
Burlington Steel	.15	Jan. 2	Dec. 15
Canada Bud	.20	Dec. 14	Dec. 7
Canada Cement, pfd.	1.25	Dec. 21	Nov. 30
Can. Cottons	1.00	Jan. 2	Dec. 5
Do., pref.	1.50	Jan. 2	Dec. 5
Can. Bread pfd.	1.50	Jan. 2	Dec. 15
Do., (B) pfd.	.62½	Jan. 2	Dec. 15
Coniaurum Mines	.03	Dec. 23	Nov. 28
Can. Wire & Cable, A	1	Dec. 15	Nov. 30
Do., B	.50	Dec. 15	Nov. 30
Do., pref.	1.62½	Dec. 15	Nov. 30
Canadian Oil, c.	†.20	Dec. 15	Dec. 1
Do., pref.	2	Jan. 2	Dec. 19
Can. Breweries, p.	.85	Jan. 2	Dec. 15
Can. Canners	.12½	Jan. 2	Dec. 15
Do., 1st pref.	.25+.05	Jan. 2	Dec. 15
Do., 2nd pref.	.15+.05	Jan. 2	Dec. 15
Can. Machinery	.50	Dec. 21	Dec. 10
Can. Cottons	1	Jan. 2	Dec. 5
Do., pref.	1.50	Jan. 2	Dec. 5
Can. For. Inv., pf.	2	Jan. 1	Dec. 15
Can. Gen. Inv.	▪.12½	Jan. 15	Dec. 31
Canadian Car, pfd.	.44	Jan. 11	Dec. 21
Can. Wire Box	.37½	Jan. 2	Dec. 15
Do., arrears	.12½	Jan. 2	Dec. 15
Can. Converters	.50	Jan. 30	Dec. 28
Can. Celanese	.25+.25	Dec. 31	Dec. 15
Do., pref.	1.75	Dec. 31	Dec. 15
Do., Inc. fund rts.	1	Mar. 15	Dec. 31
Canada Cycle	.30+.20	Dec. 26	Dec. 10
Do., pref.	1.25	Dec. 26	Dec. 10
Can. Malting	.50	Dec. 15	Nov. 30
Do., extra	.50	Dec. 15	Nov. 30
Can. Packers	1	Jan. 2	Dec. 15
Can. Foundries A	.37½	Dec. 16	Dec. 1
Do., (B)	1.50	Dec. 18	Dec. 1
Can. Cr. Stone	.10	Dec. 15	Dec. 1
Can. Perm. Mortge.	2	Jan. 2	Dec. 15
Can. Gen. Elec.	2	Jan. 2	Dec. 15
Can. West'house	▪.50	Jan. 1	Dec. 14
Can. Nor. Pr.	▪.15	Jan. 25	Dec. 19
Do., pref.	▪1.75	Jan. 15	Dec. 19
Cariboo Gold	▪.02	Jan. 2	Dec. 4
Cent. Pat. Gold	.03	Jan. 4	Dec. 10
Can. Tube & Stl. pf.	1.75	Dec. 31	Dec. 24
Cel. of Amer.	†.50	Dec. 31	Dec. 17
Do., prior pfd.	†1.75	Jan. 1	Dec. 17
Do., pref.	†1.25	Jan. 1	Dec. 17
Do., 2nd pref.	†1.75	Jan. 2	Dec. 17
Central Can. Loan	2	Jan. 2	Dec. 19
Confederation Life	1.50	Dec. 31	Dec. 25
Can. Malartic G.	.02	Dec. 23	Nov. 28
Chart. Trust	1	Jan. 2	Dec. 15
Chesterville L.	.02½	Dec. 22	Dec. 5
Cockshutt Plow	.25	June 1 '43	May 15
Comm. Alcohol	.05	Jan. 15	Dec. 31
Do., pref.	.10	Jan. 15	Dec. 31
Cons. Div. Secs. p	.37½	Dec. 15	Nov. 15
Cons. Smelters	.50	Dec. 31	Dec. 2
Do., extra	.75	Dec. 31	Dec. 2
Carnation, pfd.	†1	Jan. 2	Dec. 12
Cons. Bakeries, ord.	.15	Jan. 2	Dec. 15
deHavilland Air. p.	1.75	Dec. 15	Nov. 30
Do., arrears	1.75	Dec. 15	Nov. 30
Disher Steel, pfd.	▲1.50	Dec. 24	Dec. 18
Distillers Seag.	.55½	Dec. 15	Nov. 30
Do., pref.	†1.25	Feb. 1	Jan. 15
Dom. Foundries	.25+.25	Jan. 2	Dec. 19
David & Frere, A	.25	Dec. 31	Dec. 15
Dom. Glass	▪1.25	Jan. 2	Dec. 15
Do., pref.	▪1.75	Jan. 2	Dec. 15
Dom. Woollens pfd.	.60	Jan. 2	Dec. 15
Dunlop Tire	.50	Dec. 21	Dec. 15
Do., pref.	.62½	Dec. 31	Dec. 15
Dome Mines	▪.40	Jan. 20	Dec. 31
Dom. Textile	1.25	Jan. 2	Dec. 5
Do., pref.	1.75	Jan. 15	Dec. 15
Eng. Electric A	.63	Dec. 15	Nov. 30
East Theatres, c.	.50	Dec. 31	Dec. 15
Famous Players	.50	Dec. 31	Dec. 19
Ford Motor A B	.25	Dec. 31	Dec. 14
Foundation Co.	.35	Jan. 20	Dec. 31
Falconbridge Nickel	.10	Dec. 22	Nov. 25
Gatineau Pwr.	.15	Dec. 31	Dec. 1
Do., 5½% pref.	1.38	Jan. 1	Dec. 1
Do., 5% pref.	1.25	Jan. 1	Dec. 1
Greening Wire	.15	Jan. 2	Dec. 15
Gt. Lakes Pap. A. B.	.75	Dec. 31	Dec. 21
Goodyear Tire	.63	Dec. 31	Dec. 15
Do., extra	2.50	Dec. 31	Dec. 15
Do., pref.	.62½	Dec. 31	Dec. 15
Gt. West Life	3.75	Jan. 2	Dec. 19
Honey Dew	.50	Jan. 2	Dec. 15
Hard Rock G.	.03	Dec. 23	Dec. 4
Hinde & Dauch	.25	Dec. 21	Dec. 5
Ham. Cotton pfd.	.50	Jan. 2	Dec. 15
Do., com.	.10	Jan. 2	Dec. 15
Ham. Un. Theat. p.	1.25	Dec. 31	Dec. 15
Hudson Bay M. & S.	1.00	Dec. 21	Nov. 27
Huron & E. Mtge.	1.00	Jan. 2	Dec. 15
Inter. Nickel c.	†.50	Dec. 31	Dec. 1
Imperial Tob. ord.	.10	Dec. 31	Dec. 11
Indust. Accept. A.	.25	Dec. 31	Dec. 24
Do., pref.	1.25	Dec. 31	Dec. 24
Inter. Paper, pfd.	1.25	Dec. 30	Dec. 18
Island Mtn. M.	.05	Dec. 28	Nov. 30
Int. Coal & Coke	.01½	Dec. 9	Dec. 10
Inter. Paints, pfd.	1	Jan. 12	Dec. 12
Do., arrears	.50	Jan. 12	Dec. 12
Inter Nickel pref.	†1.75	Feb. 1	Jan. 2
Inter. Power, pfd.	1.75	Jan. 2	Dec. 15
Lake Shore M.	.20	Dec. 15	Dec. 1
Kerr Addison	.08	Dec. 30	Dec. 10
Lamaque G.	.10	Feb. 1	Jan. 8
Landed Banking	1	Jan. 2	Dec. 15
Lang, J. A.	.17½	Jan. 2	Dec. 15
Lava Cap G.	†.02	Dec. 15	Dec. 1
Little Long Lac	.07½	Dec. 30	Dec. 12
Louisiana Land	†.10	Dec. 15	Dec. 1
McK. R. Lake	.03	Dec. 15	Dec. 1
Mitchell, Robt.	1.00	Dec. 15	Dec. 1
Melchers Dist. pf.	.30	Dec. 15	Dec. 1
McIntyre Porc. ext.	1.11	Jan. 2	Nov. 2
MacL. Cockshutt	.10	Dec. 23	Dec. 1
Macassa Mines	.06	Dec. 15	Nov. 30
Montreal Loan	.31¼	Dec. 15	Nov. 30
MacKinnon Stl. pfd.	1.25	Dec. 15	Nov. 30
Magnet Cons.	.03	Dec. 14	Nov. 27
Montreal Cottons	1	Dec. 15	Nov. 30
Do., pref.	1.75	Dec. 15	Nov. 30
Madsen R. L.	.03	Dec. 29	Dec. 10
McG. Creek Coal	.01	Dec. 19	Dec. 10
Moore Corp.	.55½	Jan. 2	Dec. 8
Do., extra	.66½	Jan. 2	Dec. 8
Do., pref. A. B	†1.75	Jan. 2	Dec. 8
Modern Contain.	.30	Jan. 2	Dec. 20
Do., pref.	1.37½	Jan. 2	Dec. 20
Marcus Loew's pfd.	1.75	Dec. 31	Dec. 15
Moneta Porc.	.02	Jan. 15	Dec. 31
Montreal Refrig. pfd.	1.25	Dec. 16	Dec. 4
New Meth. Ldy. p.	1.62½	Dec. 14	Nov. 30
Nat. Biscuit	†.30	Jan. 15	Dec. 11
N.S. Lt. & Pr. ord.	1.50	Jan. 2	Dec. 15
Nat. Grocers, pf.	.37½	Jan. 1	Dec. 15
Nipissing Mines	▪.10	Dec. 23	Nov. 30
North. Emp. M.	.20	Dec. 15	Nov. 27
Nat. Breweries	.50	Jan. 2	Dec. 11
Do., pref.	.43	Jan. 2	Dec. 11
Noranda Mines	1.00	Dec. 15	Nov. 20
Nat. Steel Car	.50	Jan. 15	Dec. 31
National Trust	2	Jan. 2	Dec. 21
North Star Oil p.	.08¾	Jan. 2	Nov. 30
Ottawa Elec. Rly.	.50	Jan. 2	Dec. 10
Do., extra	.20	Jan. 2	Dec. 10
Ont. Loan & Deb.	1.25	Jan. 2	Dec. 15
Ottawa L. H.	.15	Jan. 1	Nov. 19
Do., pref.	1.25	Jan. 1	Nov. 19
Page-Hersey	1.25	Jan. 2	Dec. 15
Paymaster Cons.	▪.01	Jan. 15	Dec. 31
Paramount Pict. pf.	†1.50	Dec. 29	Dec. 21
Do., com.	†.30	Dec. 29	Dec. 19
Paton Mfg.	1	Dec. 15	Nov. 30
Do., pref.	1.75	Dec. 15	Nov. 30
Pend Oreille	.06	Dec. 28	Nov. 30
Perron Gold	▪.04	Dec. 21	Dec. 1
Pickle Crow	.10	Dec. 31	Dec. 15
Pato Cons. Gold	▪.15	Dec. 14	Nov. 21
Porto Rico Pr., pfd.	1.75	Jan. 2	Dec. 15
Premier Gold	.01½	Jan. 15	Dec. 15
Proprietary M.	.08	Jan. 6	Dec. 23
Preston E. Dome	.05	Jan. 15	Dec. 23
Placer Develop.	.25	Dec. 17	Nov. 24
Power Corp.	▪.15	Feb. 1	Dec. 31
Do., pref.	▪1.50	Jan. 15	Dec. 19
Do., 2nd pfd.	▪.75	Jan. 15	Dec. 19
Price Bros., pfd.	1.37½	Jan. 2	Dec. 19
Real Est. Loan	1.00	Jan. 2	Dec. 17
Regent Knit., c.	.25	Jan. 15	Jan. 2
Reliance Gr., pf.	1.62½	Dec. 15	Nov. 30
Do., arrears	1.62½	Dec. 15	Nov. 30
Riverside Silk, A	.50	Jan. 2	Dec. 10
Remington Rand	†.25	Jan. 2	Dec. 10
Do., pref.	†1.12½	Jan. 2	Dec. 1
Russell Ind.	.20	Dec. 26	Dec. 10
Do., pref.	1.75	Dec. 26	Dec. 10
H. Smith Pap. pfd.	1.50	Jan. 15	Dec. 31
Sheep Creek G.	.04+.01	Jan. 15	Dec. 31
Securities Hold., pf.	.65	Jan. 2	Dec. 16
St. Law. Corp. A.	▪.25	Jan. 15	Jan. 2
Do., extra	▪.50	Dec. 21	Dec. 10
St. Law. Paper	▪.75	Jan. 15	Jan. 2
Do., extra	▪.75	Dec. 21	Dec. 10
Sigma Mines	▪.30	Jan. 15	Dec. 31
Siscoe Gold	.01½	Dec. 15	Nov. 12
Sherritt Gordon M.	.05	Dec. 19	Nov. 14
Sherwin Wms. pf.	1.75	Jan. 2	Dec. 15
Stand. Fuel. pfd.	1	Jan. 1	Dec. 15
Stedman Bros.	.15	Jan. 1	Dec. 20
Do., pref.	.75	Jan. 1	Dec. 20
Sterling Trusts	1.50	Jan. 2	Dec. 21
South. Can. Pwr.	.20	Feb. 15	Jan. 20
Do., pref.	1.50	Jan. 15	Dec. 19
Sylvanite Gold	.03	Jan. 15	Dec. 31
Simon & Sons	.15	Dec. 22	Dec. 8
Do., pref.	1.75	Dec. 22	Dec. 8
Sun Life Assur.	3.25	Jan. 1	Dec. 16
Supersilk H., pfd.	2.50	Jan. 2	Dec. 18
Supertest Pete.	.50	Jan. 2	Dec. 11
Do., pref. B	.75	Jan. 2	Dec. 11
Teck-Hughes	▪.10	Feb. 1	Jan. 8
Tamblyn	.20	Jan. 2	Dec. 15
Do., pref.	.62½	Jan. 2	Dec. 15
Tip Top Tailors	.07½	Jan. 2	Dec. 19
Do., pref.	1.75	Jan. 2	Dec. 19
Tombill Gold	.10	Dec. 23	Dec. 4
Tor. Gen. Trusts	1	Jan. 2	Dec. 15
Toronto Mortgage	1.25	Jan. 2	Dec. 15

Dividends Declared (Cont.)

United Corp. B.	.30	Dec. 30	Dec. 10
United Fuel A. pf.	.75	Jan. 2	Dec. 19
Unit. Gold Equit.	.05	Dec. 30	Dec. 15
Ventures	▪.05	Dec. 30	Dec. 10
Viau, pref.	1.25	Jan. 2	Dec. 19
West. Grocers	.75	Jan. 15	Dec. 20
Do., pref.	1.75	Jan. 15	Dec. 20
Weston Geo. com.	.20	Jan. 2	Dec. 12
Walker, Hiram	1.00	Dec. 15	Nov. 20
Do., pref.	.25	Dec. 15	Nov. 20
Wilsil	.25	Jan. 2	Dec. 15
West Koot. Pr. pf.	1.75	Dec. 31	Dec. 15
Wr.-Hargreaves	.10	Jan. 2	Nov. 26

†N. Y. funds. ▪Subject to approval of Foreign Exchange Control Bd. ‡Extra. *Plus 75c., payable in 5% pref. stock in ratio of 1 pref. for each 13 1/3 sh. A or B held, payable Dec. 17/42, of record Dec. 1. 1-xd Nov. 30. Fractional sh. in cash. ▲On arrears.

The Business Of Farming

By GORDON L. SMITH

What should be a most important farm conference opened at Ottawa this week. Representatives from all provinces have been called together. Main objective is to assure an adequate wartime food supply not only for the Canadian population but also to maintain present heavy exports of bacon, cheese and other items to Great Britain.

* * *

Piecemeal Development

So far the development of our wartime agricultural programme has been piecemeal and now with serious shortages threatened we are paying the price for that sort of approach.

At first we used the yardsticks fashioned during the first Great War. Then most emphasis was laid on wheat and wheat products; today with an entirely different type of war and fighting spread all over the globe, much more concentrated foods are wanted.

One of the first calls made on Canadian farmers was for cheese. Huge increases in production were asked to bolster exports to Great Britain. To meet this both the Dominion and provincial authorities quickly granted subsidies with the result that the raw material milk, was diverted from butter and other dairy lines.

Then quickly followed a shortage in butter. Another subsidy was offered to boost production here. Promptly there occurred shortages in milk for direct consumption and also as raw material for condensory and powder milk factories working on exports to Great Britain.

* * *

Similar With Meat

In the meat line similar situations developed. After some false starts farmers were urged by higher prices, publicity and some subsidies, to expand their production of hogs. They responded in a very big way indeed, but to do so beef cattle and sheep were relatively neglected. Then when steadily increasing domestic beef consumption overtook more slowly increasing production, butchers suddenly found themselves with bare shelves.

* * *

Fundamentals Overlooked

In all this development it is becoming abundantly apparent that we have overlooked the fundamental fact that practically all farm production is competitive and that when emphasis is concentrated on one line another is almost sure to suffer.

Practically all the consumer food products—milk, butter, cheese, beef, pork, bacon, bread, eggs, etc., are produced from our common supply of raw materials—grains, pastures, hay, silage and feed vitamins. We have just so much of this raw material and so much farm labor.

If we are to develop a well-rounded-out programme of wartime food production then we must eventually go back to the basic raw material and rearrange the use of them to suit. Fussing with one or two isolated lines like cheese or bacon is merely tinkering with the agricultural machine. To make a fundamental change one must get back to fundamentals.

* * *

West Versus East

The anonymous author of the Toronto Globe and Mail's series of articles on postwar reconstruction stated the other day that interests of the western and eastern farmers of this country were "diametrically opposite." Undoubtedly this is a prevalent view but is it correct?

Once upon a time when the prairie farmer concentrated almost entirely on wheat, there was some truth for such a claim but this is far from the situation today. There are a great many farms in Manitoba, Saskatchewan and Alberta where production is strikingly similar to that in Ontario or Quebec.

Both raise livestock, milk cows, keep poultry and perhaps bees. Then too, there are cattle and sheep ranches in both parts of the Dominion. The interests of such farmers should be almost identical.

Greatest need of both is an abundance of cheap feed and generous markets. After the war, it is true, there may be a clash between western and eastern producers of livestock, especially hogs. But this clash will not be due to conflicting interests but rather because both are interested in exactly the same thing, a huge export market for our surplus bacon.

* * *

Ration Farmers?

If, as is being freely predicted, this country is facing full scale food rationing, how will the farmer be involved?

It is fairly generally agreed that it would be impractical and unnecessary to apply the same rigid rationing to the food producers as the food consumers. Even in occupied Europe, it is understood that the Nazis do not collect all the food grown by the farmers then turn so much back. Usually the farmer is permitted to retain for his family use a certain portion, although it may be very insufficient, and the remainder earmarked for and collected by the invaders. Here the farmer would likely be put on some sort of an honor system. He would be urged to turn into commercial channels all food products over a certain amount designated for his own family.

DIVIDEND NOTICES

Canada Permanent Mortgage Corporation

Notice is hereby given that a Dividend of TWO PER CENT. on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable

Saturday, the Second Day of January

next, to Shareholders of record at the close of business on the Fifteenth day of December 1942.

By order of the Board.

WALTER F. WATKINS,
Secretary.

Toronto,
November 18th, 1942.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.25 per share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

2nd January, 1943,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,

WALTER GILLESPIE,
Manager.

3rd December, 1942.

DIVIDEND NOTICE

International Paints (Canada) Limited

The regular dividend of 5% for the twelve months ended September 30th, 1942, and an additional dividend on account of arrears of 2½% or 50 cents per share, have been declared on the new 5% Cumulative Participating Preferred Stock of the Company, payable on January 12th, 1943, to shareholders of record at the close of business on December 12th, 1942.

By Order of the Board,

D. R. W. McKEAN,
Secretary-Treasurer.

Montreal, December 1st, 1942.

Dominion Woollens & Worsteds, Limited

Notice of Preferred Stock Dividend.

Notice is hereby given that a dividend of Three Per Cent (3%), being a dividend of Sixty Cents (60c) per share, has been declared on the 6% non-cumulative participating preferred shares of Dominion Woollens & Worsteds, Limited, payable the 2nd of January, 1943, to shareholders of record the 15th of December, 1942.

By Order of the Board,

F. C. COCKBURN, Secretary.

Toronto, Ont.,
November 26, 1942.

AMALGAMATED ELECTRIC CORPORATION LIMITED

A.E. CORPN LTD.

INTERIM DIVIDEND.

Notice is hereby given that an Interim Dividend of thirty (30c) cents per share has been declared on the outstanding shares, without nominal or par value, of the capital stock of the Company, such Dividend to be payable on January 2, 1943, to Shareholders of record at the close of business on December 15, 1942.

By Order of the Board.

WILLIAM CARSWELL,
Secretary.

Supersilk Hosiery Mills Limited

Dividend Notice

Notice is hereby given that a semi-annual dividend at the rate of 5% per annum on the Preferred Shares of this Company for the half year ending December 31st, 1942, has been declared, payable January 2nd, 1943, to shareholders on record at the close of business, December 18th, 1942.

By order of the Board,

J. G. THOMPSON,
Secretary-Treasurer.

London, Ontario,
December 3rd, 1942.

DIVIDEND NOTICES

CANADIAN CELANESE LIMITED

**1401 McGill College Avenue,
Montreal, P.Q., Canada**

December 1, 1942.

The Board of Directors has this day taken the following action with respect to interest and dividends:

INCOME FUNDING RIGHTS

March 15, 1943, has been fixed as the date on which interest in respect of the year 1942 will be paid to the holders of income funding rights of record at the close of business on December 31, 1942.

SEVEN PER CENT CUMULATIVE PARTICIPATING PREFERRED STOCK

One dollar seventy-five cents ($1.75) per share, which shall be deemed to be for the three months period from October 1, 1942, to December 31, 1942, has been declared payable December 31, 1942, to the holders of record at the close of business on December 15, 1942.

The amount of participating dividend to which the holders of the seven per cent cumulative participating preferred stock are entitled for the year 1942 will be determined when the company's accounts for the year have been closed.

COMMON STOCK

Twenty-five cents (25c) per share in respect of the fourth quarter of 1942; and, in addition, an extra dividend of twenty-five cents (25c) per share, have been declared payable December 31, 1942, to the holders of record at the close of business on December 15, 1942.

H. BLANCKE,
Secretary.

Disher Steel Construction Co., Limited

DIVIDEND

Notice is hereby given that a dividend of One and 50/100 Dollars ($1.50) per share has been declared on account of arrears of dividends on the Class "A" Cumulative Redeemable Preference Shares of the Company, payable December 24th, 1942, to shareholders of record at the close of business December 18th, 1942.

By Order of the Board,

DONALD H. ROWAN,
Secretary.

Toronto, December 7th, 1942.

Consolidated Bakeries of Canada Limited

NOTICE IS HEREBY GIVEN that a dividend of fifteen cents (15c) per share on the outstanding shares in the capital stock of Consolidated Bakeries of Canada Limited has been declared payable on the 2nd day of January, 1943, to shareholders of record at the close of business on the 15th day of December, 1942.

By order of the Board.

H. O. NEALE,
Secretary.

Grain Moves Down Lakes

Heavy Shipments Ease Storage Problem

From Our Own Correspondent

WINNIPEG.—The storage situation in lakehead terminals has been relieved by heavy grain shipments to eastern ports and there is now a good deal of surplus space.

Grain continued east by freighter last week at the rate of two million bushels a day in spite of the Dec. 1 increase in insurance charges. It's expected that the coming week will bring the end of this movement.

Meanwhile railways have been easing restrictions on loading. These were to prevent too great an accumulation of cars en route to Port Arthur and Fort William after navigation closed.

The Canadian Wheat Board is expected to increase quota deliveries of grain at different points.

All-Rail Shipments

Terminals will by no means be blocked when winter puts an end to vessel movements, for grain is already going forward by the all-rail route.

Such shipments are mainly of low grade wheat, oats and barley. All-rail shipment of high grade wheat does not appear likely, as there is enough in eastern elevators or en route to take care of domestic milling and overseas requirements for some time.

Ottawa Conference

The conference at Ottawa to outline agricultural production for the coming year has aroused speculation here.

There is no western expectation that the government will take any action looking to an enforced reduction of wheat acreage, although it is expected that the policies of the last two years will be continued, of making payments to farmers who put former wheat land into other crops, into grass or summer fallow.

No one seems to think the government will make any change in the guaranteed minimum price of 90 cents a bushel for such wheat as is deliverable, but an important change from the procedure followed in 1942 is anticipated.

When new crop wheat came to be delivered in August, farmers were forbidden to market wheat of the previous year's production, and warning of that policy caused barn bins to be swept clear of old crop wheat before the new crop was harvested.

No such policy can equitably be followed at the end of the current crop year at July 31, 1943.

Long before that time it is expected that farmers will be told that wheat of 1942 production will be deliverable against whatever quotas may be applied during the following crop year.

Farmers will thus be made to feel that they can reduce their wheat acreage, or even grow no wheat at all for a year if they have a large farm carry-over, without endangering their income for the following crop year.

Announcement of this, many observers feel, should be made as early as possible.

Government Guarantee

For 1942 the government guaranteed farmers minimum prices for oats and barley, and theoretically such prices applied to all that farmers might want to deliver. Actually that guarantee can probably not be implemented, as there is unlikely to be elevator space during the crop year.

Those who are forced to carry over the surplus, and do not plan to use it for feeding, will feel that the government is bound to continue the guaranteed prices for another year, in order to keep faith with respect to grain which has already been grown.

This will not, however, prove to be as great an incentive to seed oats and barley, once it has become clear that guarantees are limited by conditions which make it impossible to dispose of all crops.

Flax Prospects

The minister of agriculture has intimated that larger acreage of flaxseed should be put in next year than in 1942. At a guaranteed price of $2.25, in effect for the current crop year, it is probable that there would be some slight increase in flax acreage. It may require, however, a somewhat higher guarantee to bring about all the increase in flax that is desirable, for in most parts of the country it is considered to be a risky crop.

Public Utility Earnings

Mexican Light & Power

September	1942 $	1941 $	Increase $
Gross earns.	958,705	902,319	56,386
Oper. exps.	665,042	577,368	87,674
Net earnings	293,663	324,951	d31,288
First Nine Months	$	$	$
Gross earns.	8,477,408	7,103,811	1,373,597
Net earnings	2,787,500	1,737,723	1,049,777

DIVIDEND NOTICES

DIVIDEND

Chartered Trust and Executor Company

NOTICE is hereby given that a dividend of 1% has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company for the quarter ending December 31st, 1942, payable January 2nd, 1943, to shareholders of record at the close of business December 15th, 1942.

By Order of the Board.

E. W. McNEILL,
Secretary.

Dated at Toronto,
November 19th, 1942.

THE STERLING TRUSTS CORPORATION

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of 1¼% for the current half year ending December 31st, 1942, has been declared on the paid up capital stock of the Corporation, and will be payable on January 2nd, 1943, to shareholders of record at the close of business on December 21, 1942.

By order of the Board.

E. R. MEREDITH,
Secretary.

WESTERN GROCERS LIMITED

NOTICE OF DIVIDENDS

Notice is hereby given that the following dividends have been declared:

On the Preference Shares 1¾% ($1.75) for the current quarter;

On the Common Shares, 75c per share;

Payable January 15th, 1943, to shareholders of record December 20th, 1942.

By order of the Board.

W. P. RILEY,
President.

Do We Want a Bigger Canada?

(Continued from page 11)

of development which will again put Canada in the market for people is of course impossible. The trend for Canada cannot be plotted according to blueprints based either on the pessimism of the thirties or the optimism of the twenties.

But that the seeds for a number of highly favorable trends have been planted is certain. How they will flourish will depend on the type of peace we write and its effects on economic nationalism, on our own internal developments. Here are some of the key internal factors.

Canada's New Phase

We have built up a war industry that has become more thoroughly integrated, more highly mechanized than anything seen in Canada before. We have built and bought lathes and complex machine tools, and learned how to operate them. The development of urban industry, if made full use of, would warrant a sharply higher standard of living, urban and rural.

We have attained "full employment," and found that with that stage reached, we have not enough surplus farm capacity to carry our present share of Britain's dinner pail and maintain our own standards. In the process we have speeded diversification of western agriculture.

We have built a highway to Alaska, along the edge of the pre-Cambrian shield, bringing this potential mineral land closer to civilization and low-cost transport than it has ever been before. (Note that the Temiskaming & Northern Ontario line, and the transcontinental lines in Ontario, are primarily responsible for the greater part of Canada's gold mining wealth.)

We have developed new uses for our lumber, plywood, plastics, greater uses for rayon and pulps. Judging by trends abroad, Canada's forest wealth will be better conserved in future; will become a more stabilized industry.

Our primary steel production has increased its capacity some 16%, our aluminum output is up more than fivefold, we have a magnesium industry for the first time, have greatly extended our resources of tungsten and other materials.

Taken together, these material increases have opened the way for a fulfillment of the vitally important secondary industries that make for high living standards, for skilled employment and a better way of life. Our war production has developed the tools and the skills to take full advantage of these assets. It is a fallacy to assume that all these could have been developed overnight in the midst of the depression—the tremendous job of labor-training that has been accomplished is testament to that fact.

Altogether these facts indicate that the materials to make Canada attractive to newcomers are at hand. Together they compare favorably with what could be reasonably expected from the opening of the west.

In the first decade of this century we had an immigration boom because the West was opening up, because capital was pouring into Canada from Britain, and because Canada had a strong pro-immigration policy.

Our wartime industrial development has provided the physical basis for another era of expansion. But if this is to reach fulfilment, it will have to be supplemented by a programme that will provide the capital (probably from our own resources which are clearly capable of the job), and the constructive policy that will make Canada as attractive to the immigrant as its potentialities clearly show it can be.

Flour Output

MONTREAL. — Reflecting overseas export demand, Canadian flour mills produced over 1.8 million bbls. of flour during October.

	1942 Bbls.	1941 Bbls.	1940 Bbls.
December	....	1,577,169	1,076,132
November	....	1,664,802	1,588,428
October	1,851,062	1,595,931	1,872,514
September	1,737,472	1,647,910	1,635,849
August	1,820,199	1,852,139	1,291,451
July	1,590,219	2,116,896	1,222,975
June	1,335,177	2,117,976	1,170,238
May	1,481,449	2,121,397	1,282,906
April	1,660,900	1,660,897	1,344,293
March	1,806,854	1,476,673	1,257,034
February	1,584,978	1,482,187	1,246,798
January	1,555,850	1,177,369	1,266,303
10 months	16,724,160	17,299,375	13,590,361
12 months	....	20,471,777	16,254,921

Wheat Prices

Winnipeg Grain Futures

Week of Dec. 7, 1942

Crop year from Aug. 1, 1942 High	Low		High for week	Low for week	Close Dec. 7
		Wheat			
.91¼	.90	Dec.	.90	.90	.90
.94	.93¾	May	.94	.93¾	.93⅞
		Oats			
.46⅞	.45	Dec.	.45	.45	.45
.48¼	.45⅝	May	.47⅞	.47⅝	.47¾
.48⅞	.48½	July	.48⅞	.48½	.48½
		Barley			
.61½	.60	Dec.	.60	.60	.60
.63¼	.60¾	May	.62¾	.62¾	.62¾
		Rye			
.63¾	.53⅝	Dec.	.63¾	.61½	.63¾
.65¾	.56¼	May	.65¾	.63⅝	.65⅛

Cash Quotations

	For Week Dec. 7 High	Low	Prev. Week High	Low
Wheat:				
1 Nor.	.90⅝	.90⅝	.90⅝	.90⅝
2 Nor.	.87	.87	.87⅛	.87
3 Nor.	.85	.84	.85¼	.85
4 Nor.	.83	.83	.83¾	.83
5 Wheat	.80	.79	.83	.80
6 Wheat	.78	.77	.82	.78
Feed	.77	.76	.80¼	.77
Oats:				
2 C. W.	.45	.45	.46	.45
3 C. W.	.42	.42	.42¼	.42
Barley:				
1 Feed	.56	.56	.56	.56
2 Feed	.55½	.54½	.54½	.54
Rye:				
2 C. W.	.65¾	.62⅛	.61⅛	.59¼

NOTICE OF DIVIDEND

FAMOUS PLAYERS Canadian Corporation

Limited

NOTICE is hereby given that a dividend of Fifty Cents (50c) per share has been declared on all issued common shares of the Company without nominal or par value, payable on Thursday the 31st day of December, 1942, to shareholders of record Saturday, the 19th day of December, 1942.

By Order of the Board.

N. G. BARROW,
Secretary.

TORONTO, December 8th, 1942.

Canadian Car & Foundry Company Limited

Dividend Notice—Preference Stock

Notice is hereby given that a dividend of forty-four cents (44c) per share on the Paid up Preference Stock of the Company for the quarter ending December 31st, 1942, has been declared, payable on the 11th day of January, 1943, to Shareholders of record on the 21st day of December, 1942.

By Order of the Board,

A. C. BOURNE,
Secretary.

Montreal, December 8th, 1942.

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398

More Copper Badly Needed

Battleship Alone Requires Thousand Tons of Red Metal

While both Canada and the United States have taken steps to increase copper production, the supply is still far from meeting requirements, states Metals Progress.

Lack of copper is seen as a possible limiting factor for our entire war effort. Metals Progress states:

"The copper situation can be summed up with the statement that it is quite possible that copper supply will determine the amount of munitions and war material that we can produce in some of the major categories. Estimated essential requirements . . . are over 8% in excess of maximum present visible supply; estimated total requirements . . . are some 25% in excess of the present visible supply."

The publication sees important reasons why copper is running short. Copper is non-replaceable for many essential purposes. A single tank takes almost a half ton; one type of scout car, 150 lb. One type of fighter plane uses over 800 lb. and the Flying Fortress uses over a ton and a half.

Battleships Great Copper Users

Another type of bomber uses 500 lb.; a battleship uses the huge total of two million pounds. In the United States, the copper that would normally go into electric refrigerators, which are not being made this year, will provide the copper and brass to complete 60 destroyers. Steel is being substituted for brass in some ammunition, in an attempt to take some of the pressure off copper.

Tremendous efforts are being made by the United States to stimulate domestic production and copper imports from other countries including Canada. Efforts are also being made to find substitutes. Copper Recovery Corp., which acts as a buying agent for the Metals Reserve Co., is buying up scrap and even fabricated articles.

Silver Helps

The saving by substitution of silver in electrical conductors has so far meant release of enough copper for 95 million aircraft machine gun cartridges, 600,000 anti-tank shells and 1.5 million anti-aircraft shells.

The copper scarcity is reflected by recent announcement that brass and wire mills and foundries would be allotted no copper of any kind, including scrap, except for the most essential purposes. It is estimated that 2,571,700 tons of copper will be made available to United States industry in 1942 from all sources but even this supply — 1,000,000 tons more than the supply in 1939—will be inadequate.

Chesterville Opens New Ore

Deep Block of Five Levels Still Remaining For Future Exploration

From Our Own Correspondent

LARDER LAKE. — While work has not yet been started on the block of five new levels down to 1,650 ft. depth, Chesterville Larder Lake Gold Mining Co. has been opening up new ore in lateral exploration on its intermediate levels.

On the 5th level at 675 ft. depth and the 6th level at 800 ft., development recently has been carried out on the "D" and "D-2" ore structures. These lie to the north of the main ore bodies striking northeast from the west boundary with Kerr-Addison. The ore structures are in quartz carbonate formation with visible gold noted frequently in the quartz fractures.

Open Ore in "D" Zone

On the 5th level, the "D" body has been opened up in drifting over an extension of 158 ft. with widths up to 18 ft. indicated. Car and chip sampling have returned grades of 0.113 oz. and 0.143 oz. gold respectively.

The "D-2," parallel to the north, has been opened up for 80 ft. returning better grade, with car samples showing 0.41 oz. gold and chip sampling 0.221 oz., over drift width. Limited slashing has indicated probable widths up to 20 ft.

On the 6th level, the "D" ore body has been drifted on for 100 ft. returning 0.114 oz. grade over drift width. The "D-2" has been opened up for 241 ft. with car sampling returning 0.068 oz. grade over 15-ft. widths. Visible gold is noted freely.

Crosscut at 7th Level

Crosscuts have been advanced to the "C" and "D" ore bodies on the 7th level at 925 ft. depth. The "C" ore body has been indicated in diamond drilling by three intersections along a length of 1,00 ft., the values and widths being: 0.493 oz. across 28 ft., 0.226 oz. across 40 ft. and [illegible] oz. across 52 ft.

The "D" ore body has returned similar widths and grades in this work with the intersections from east to west as follows: 0.599 oz. across 10 ft., 0.263 oz. across 30 ft. and 0.492 oz. over 12.9 ft. Drift development may be proceeded with on the latter on completion of advance on the "C" ore body.

At the beginning of the year, ore reserves totalled 757,000 tons of 0.14 oz. grade including 71,500 tons of broken ore. Development advance on the lower levels on the "C" and "D" ore structures will play an important part in determining where reserves will stand at the end of this year.

Operating profit for 1942 is expected to be about $375,000 with profit after write-offs and before taxation of $150,000.

Options

The following information on mining and oil financing agreements has been issued by W. A. Brant, registrar of the Ontario Securities Commission.

ADNARON COPPER CORP. — On Nov. 11, 1942, Cradock Knott & Co. agreed to purchase 50,000 shares at 10c. per share payable by Feb. 1, 1943, and received an option on 1,950,000 shares—250,000 shares at 10c. payable by Feb. 1, 1944; 500,000 shares at 15c. payable by Aug. 1, 1944; 200,000 shares at 20c. payable by Nov. 1, 1944; 1,000,000 shares at 25c. payable by Nov. 1, 1945. Authorized capital is 4,000,000 shares; issued 1,300,005.

BARNWELL-TABER OILS—On Nov. 6, permission was granted for sale through any registered broker in Ontario of debentures of this company totalling $210,000, together with 420,000 shares of stock. Debentures and stock are to be sold in units consisting of a $100 debenture and 200 shares of stock; selling price of such units not to exceed $100 to the public. Authorized capital is 1,500,000 shares; issued 490,000 shares.

GOLD FRONTIER MINES LIMITED—On Sept. 19, 650,000 shares optioned to H. R. Bain & Co. Ltd. at 10c. per share payable at the rate of $5,000 every 30 days until paid for; first payment to be made 90 days from date of agreement. Authorized capital is 4,000,000 shares; issued 3,195,286.

MAJORMICA MINES—On Oct. 30, Frank Jobson agreed to purchase 10,000 shares at 20c. per share for which payment has been received and was granted an option on 190,000 shares at 20c. to be taken up and paid for not less than 19,000 shares by Dec. 1, 1942, 19,000 shares per month thereafter. Authorized capital is 500,000 shares; issued 150,003.

MARYLAND PETROLEUMS LIMITED, No. 1 WELL—On Nov. 26, permission was granted for sale through any registered broker in Ontario of 52 preferred net royalty units. Maximum price to the public not to exceed $4,375 per unit of 1% or proportionately for any fractional part.

SEAFORTH SALT INDUSTRIES — On Nov. 16, permission was granted for sale through any registered broker in Ontario of 25,000 shares at $1 per share, provided 85% of money received is placed in a trust account with a recognized trust company until $12,000 has been so obtained. If this amount is not obtained by May, 1943, such amount is to be returned to the subscribers. Commission payable on the sale of shares is not to exceed 25%. Authorized capital is 100,000 shares; issued 25,005.

RENOWN ROYALTIES No. 1 WELL—On Dec. 3, permission was granted for sale through any registered broker in Ontario of 7½% of gross royalties of the above well.

ZETA MINING CORP. — By two agreements dated Oct. 7, F. R. Marshall agreed to purchase 3,000 shares at 75c. per share for which payment has been received and was granted an option on 23,644 shares—3,644 shares at 75c. per share; blocks of 5,000 shares each at $1 and $1.25 per share and 10,000 shares at $1.50 payable by Dec. 16, 1943. Authorized capital is 100,000 shares; issued 36,961.

The Week in Oils

From Our Own Correspondent

CALGARY.—Turner Valley's latest completion, Atlas-British Dominion No. 3, after acid treatments of the two porous horizons totalling 8,445 gallons, was placed in production with a flush yield of 89 barrels hourly, operating under back pressure, with a gas-oil ratio of only 593 cu. ft. per bbl.

The Conservation Board has assigned the new producer a "temporary allotment" of 6,250 bbls. for a 10-day period, with the maximum daily recovery set at 700 bbls. This places the well among the top five producers in the field.

Preparations are under way for taking bottom hole pressure measurement. When this has been determined the well will be given a regular allotment, possibly permitting an average daily recovery of 700 bbls. or more, compared with the present temporary average allotment of 625 bbls. per day.

* * *

Taber Well Stands Up

An official statement on the Standard Oil of B. C.-Nassau Explorations joint Taber producer, Taber-Province No. 1, gave evidence that the well is the best producer yet completed in Alberta outside of the Turner Valley field.

It was pumped for 24 days during November and produced a total of 5,928 bbls. of 18 gravity crude oil—an average of 247 bbls. per day. Pumped at capacity rate it is believed capable of more than 300 bbls. per day. During much of November the well was pumped under a restricted stroke, output being balanced with rate of deliveries to the oil purchasers. The well is continuing in December at a restricted rate, around 200 bbls. per day.

Total production from completion late in June to Nov. 30 was about 14,576 bbls. During about half of this five months' period the well was shut in while pumping equipment was secured and arrangements for marketing were made.

Output Little Changed

The Conservation Board reports that Alberta's crude oil and natural gasoline production for October totalled 841,363 bbls. (27,141 bbls. per day), while revenue from sales of crude and natural gasoline totalled $1,269,950 ($40,966 daily). Figures cover wells only, do not include 2,628 bbls. of oil recovered by mining methods at McMurray, and its value.

Production for October shows a decline of 394 bbls. daily compared with Oct., 1941, but an increase of 446 bbls. daily over September of this year. Revenue from oil sales shows a decrease of $1,131 daily from Oct., 1941, and a decrease of $19 daily from September of this year.

* * *

10 Months' Total Up

The October return boosts Alberta oil well production for the first 10 months of 1942 to 8,478,454 bbls., an increase of 285,643 bbls. over the yield of 8,192,811 bbls. recorded during the same period in 1941. Revenue to operators from oil sales during the first 10 months of the year totals $12,958,854, an increase of $1,790,078 over the return during the same period last year—$11,168.776.

Following is a summary of Oct., 1942, production from the several Alberta sources, together with the cumulative production from each source from inception to Oct. 31, 1942.

Source:	October barrels	Cumulative to 31-10-42 barrels
TURNER VALLEY:		
Limestone oilwells	797,107	41,658,442
Limestone gaswells	1,718	8,093,628
Shallow oilwells	443	476,563
Natural gasoline	24,648	4,039,993
Total Turner Valley	823,916	54,268,626
OTHER FIELDS:		
Vermilion	6,979	85,189
Red Coulee	859	313,400
Wainwright	1,347	156,835
Del Bonita	556	9,559
Dina Field	....	21,574
Princess	1,384	28,827
Lloydminster	....	2,031
Tilley	236	5,718
Taber	6,086	42,541
Miscellaneous	....	51,071
Total other fields	17,447	716,745
McMurray Sands—mined oil	2,628	30,079
Alberta—All sources	843,991	55,015,450

Interest Revives In B.C. Iron

Legislature May Discuss Establishment of West Coast Steel Mill

From Our Own Correspondent

VANCOUVER — Reports of the waning supply of ore in the Mesabi range of Minnesota and the interest in Ontario's Steep Rock ore body have focused attention again on British Columbia's iron ore deposits and the recurring agitation for establishment of steel mills on the west coast.

It is probable that the question will be discussed during the next session of the legislature.

Most of the practical-minded industrialists feel that a fully integrated steel mill, that would cost probably $16 millions, is out of the question because of labor shortage and difficulties in getting equipment. They favor a much smaller plant to produce rods and shapes from scrap metal rather than from pig iron.

But there is considerable sentiment in favor of laying the groundwork now for a fully equipped steel mill after the war.

Estimates at Variance

There has been some confusion as to the extent of iron ore in the province due to the wide variation in the estimates published by the McKee report of last year and the previous figures of the Freyn enquiry. Freyn estimated 6.9 million tons on Texada Island alone, while the McKee total was only 250,000 tons — seemingly inadequate for any substantial mill. Apparently the provincial department of mines made an estimate of 500,000 tons, and McKee conservatively halved the figure.

The provincial government has rejected plans to finance construction of blast furnaces and rolling mills, but it has offered a $3 per ton subsidy on pig iron for 10 years.

The question really comes down to markets. Those who want action now say that the shipyards are the major customer for steel on the coast and that shipbuilding will cease after the war if no steel mill is established.

On the other hand, there is some doubt as to whether steel shipbuilding will continue here after the war anyway, because of lower costs in other parts of the world, chiefly due to labor.

Macassa Mine in Good Shape But Profits Lower For Year

From Our Own Correspondent

KIRKLAND LAKE.—While labor shortage has forced a reduction in the rate of development at Macassa Mines, the programme carried out by the company in past years is standing it in good stead.

Recent work on the 3,000-ft. level on the No. 307 vein, located in the hangingwall zone, has opened up a length of 140 ft. of ore carrying 0.51 oz. gold over an average width of 5.7 ft.—out 320 ft. south of the "main break."

Working Out to East

In the main section of the mine, along the "break," the east drift is being swung south for development of Macassa holdings beyond the Grozelle fractional claim.

On the 4,000-ft. level, drifting to the east has been in ore for 60 ft. averaging 0.7 oz. gold over 6.3 ft. There is a distance of 600 ft. to be traversed to the east boundary with Grozelle. Drift development on the two levels immediately above and below has opened up ore lengths of 700 ft. averaging 0.5 oz. gold over drift width.

The recent ore disclosures to depth on the property immediately adjoining to the east — Kirkland Lake gold mine—are significant to the future potentialities of Macassa. Kirkland Lake Gold Mining Co. has opened up a series of high-grade vein systems to 5,400 ft. depth or 1,200 ft. below the present Macassa workings. These occur in the hangingwall or south zone and are indicated as striking west on to Macassa ground. The geological structure is stated to be favorable to continuity to depth on Macassa ground.

Production Less, Profits Hit

Earnings will be lower in 1942, partly due to the Kirkland Lake strike which affected operations early in the year and partly due to the labor shortage and transfer of men to International Nickel Co. at Sudbury. Production this year is expected to be around $2.1 millions against $2,521,389 in 1941 while operating profit will likely be in the neighborhood of $1.3 millions against $1,551,655 last year.

No work is being done at the subsidiary operation of Renabie Mine in northwestern Ontario but sufficient ore has been outlined to justify initial milling facilities of 250 tons a day when new gold mines can again be brought into production.

Potato Shortage Hits Coast As Growers Withhold Stock

From Our Own Correspondent

VANCOUVER. — A shortage of potatoes is facing B. C. cities as a result of the refusal of growers to conform with the ceiling price established by the Wartime Prices and Trade Board.

By establishing a ceiling of $30 net per ton, the Wartime Prices and Trade Board tried to halt a trend that had carried prices to levels 100% higher than before the war.

The growers, reportedly under the aegis of the Coast Vegetable Marketing Board, maintained that they couldn't produce at that price and withheld their produce.

Wholesale Stocks Low

Wholesale houses in Vancouver claim their stocks are practically nil, although there is said to be an abundance of supplies on the farms and at shipping centres.

Officials of the Marketing Board maintain that the growers are justified in their "strike," due to high production costs.

In some cities sale of potatoes to retail customers is being rationed.

What the government will do to relieve the situation is uncertain, but there have been suggestions that action may be taken to compel marketing at the ceiling.

C. N. R. and C. P. R. combined gross operating revenues for the 10 months period, January-October, 1942, reached $516 millions, the highest figure for that period ever reported. The percentage gain over the same period of 1941 was 20.3; over 1940, 52.7; over 1939, 80. The previous record for the period, $449 millions, back in 1928, was exceeded by nearly 15%.

Associated Breweries of Canada has declared a year-end dividend on its common stock of 50c a share, payable Dec. 31, 1942, to shareholders of record Dec. 10. This makes a total of $1.25 a share to be paid on the common this year compared with $1.75 a share paid for 1941.

Mining INVESTMENTS

A 400% increase in Canadian tungsten production is in prospect when the Emerald tungsten property in British Columbia reaches production under the aegis of Wartime Metals Corp. This was indicated in recent speeches of Metals Controller George C. Bateman and Hon. C. D. Howe, Minister of Munitions and Supply.

Mr. Bateman stated that Canada is at present producing a fifth of its tungsten requirements while Mr. Howe said this country will be self-sufficient in tungsten when a 300-ton mill at the Emerald property is completed.

* * *

Dome's tungsten discovery in the Albany River area may prove another source of metal while numerous gold mines are only now getting their tungsten production plans in order.

Tungsten is a metal of which the United Nations are critically short.

* * *

Metals Reserve Co., R.F.C. subsidiary formed in 1940 by the U. S. Government, has made commitments totalling $3,225 millions since Pearl Harbor with the object of stockpiling strategic and critical metals and materials. It has executed numerous agreements with governments of foreign countries. The total already expended on such foreign activties since the United States entered the war has been $1,412 millions.

The size of commitments made in Canada is not revealed, but Washington states that last June Metals Reserve Co. agreed with War Supplies, Ltd., a company set up by the Canadian Government, to advance a total of $10 millions to be used for the development in Canada of new sources of copper, lead, zinc and other metals.

* * *

An interesting comparison of the relative costs of magnesium plants in Canada and the United States is possible, following release of certain data by the Reconstruction Finance Corp.

It is revealed that commitments for magnesium plants in the United States totalled $422 millions with this plant capacity expected to give magnesium production of around 725 million lb. a year. Canada has expanded approximately $3 millions and expects an annual output of around 7.3 million lb. of magnesium.

From these figures, it appears that Canada's plant has cost less relatively. For a production capacity similar to Canada's, the United States has paid approximately $4.2 millions.

* * *

A new process for "concentration of the highly critical war material mica out of mixtures of earth and rock debris" has been granted a patent at Washington.

The process, assigned to Phosphate Recovery Corp. of New York, is stated to improve "the current froth-flotation method by the addition of lime, magnesium carbonate or other alkali-earth compounds with the customary soapy-resinous bath that sorts the precious particles out of worthless dross with which they are mixed."

Nazi War Economy Hit By Alloy Metal Pinch

Although it is considered probable steel plants in Axis Europe can obtain adequate tonnage of iron ore and coal, supplies of alloys may be difficult to maintain in the face of intensified bomb damage to plants and transportation facilities.

A recent investigation by the American Iron and Steel Institute indicates that Germany has available only about one third of the manganese, less than half the chromium and a mere 10% of the nickel needed to keep pace with the United States.

For the rest of her requirements, Germany has been forced to tap accumulated stocks. Neither Germany itself, nor any other European country which has come within the German orbit is on record as a major source of alloy metals.

Turkey possesses chrome ores of high quality, and outranks all other producers of chromite save South Africa. Even if all Turkish chromite were available to Germany, however, the supply would be less than the estimated demand.

Still more important may prove to be the fact that every major German artery of supply falls within a 1,000-mile bombing range of London, Moscow or Alexandria.

Preston Opens Ore At Depth

Profits a Little Lower as Average Grade Millfeed Treated

From Our Own Correspondent

TIMMINS.—While the high-grade ore found at the upper levels of Preston East Dome Mines has not been found at depth, the continuity of the cross-fracture ore systems has been established with good lengths, showing "mine average" values over drift width.

In the intermediate zone, off the footwall ore bodies, there have been further favorable ore disclosures.

On the 8th level an additional 500 feet of ore lengths have been opened up lately, giving a total of 1,000 ft. of ore in the Nos. 850, 851 and 852 vein systems. In general, these carry average mine grade or 0.24 oz. per ton over drift widths. On the 9th level, similar structure has been opened up for a total of 700 ft. of ore, with substantial areas remaining to be explored.

Ore 80 Ft. Wide at 10th

On the 10th level the footwall ore bodies have been prepared for mining over a length of 140 ft. across widths up to 80 ft., giving 1,000 tons of ore to the vertical foot. No. 1052 intermediate vein has been drifted on for a length of 200 ft. Some work has been done on the No. 1,051 vein, located to the south of the footwall structure. Additional work will also be done to the north and east of the footwall zone.

Stope preparation is proceeding on the main footwall ore body at the 11th level. Lateral work at the 12th level, however, is being held in abeyance until transverse drilling to the west and northeast is completed.

Maintain Reserves

Ore reserves have been maintained this year, it is estimated. These totalled 917,700 tons averaging 0.24 oz. gold per ton last Jan. 1.

In previous years, grade of ore milled has exceeded the average in reserve but in the last two quarters this situation has been changed and mine average grade ore has been treated.

Operating profit for the nine months ended Sept. 30, 1942, is estimated at $995,598, with net profit estimated at $520,000, or 17 cents a share for the nine months after all charges. This compares with $817,653 or 27.2 cents for all 1941. Operating expenses have shown some reduction in recent months.

Fat Salvage Being Pushed

Utilize Butcher Shops and Offer Payment For Dripping, Table Scraps

Arrangements have been completed for an enlarged campaign to salvage fats and oils across Canada. Previous efforts have been handicapped by lack of proper collection organization. In large cities arrangements were made for collection by garbage departments. In other centres voluntary salvage organizations have been active and will continue in the picture.

Now, however, the machinery is being broadened. A new feature is to be use of meat dealers and butchers who have agreed to act as collection agents. Citizens bringing fats to butchers are to be paid 4½ cents a pound for dripping and one cent a pound for table scraps, including both green and cooked bones. Price to be paid varies, being 4½ cents in Ontario, south and east of the head of the lakes and in Montreal and district. In all other parts it is 4 cents.

Salvage authorities point out that Canada needs 30 million lb. of fats this year and add that one ounce per person per week would provide 36 million lb.

Hamilton Bridge Elects Officers

Hamilton Bridge Co. has made a number of changes in its officers and directors following death of F. W. Grant, former chairman and president, and resignation early in November of C. C. Wales, formerly director and general manager. Mr. Wales's resignation also meant cancellation of the remaining balance of 500 shares still to be taken up under his option agreement. He had taken up 2,000 shares out of the 2,500 covered by the agreement. Issued capital is now 245,750 shares.

Present officers and directors of the company are:

G. W. WIGLE, president and managing director, Hamilton.

FRANK M. ROSS, vice-president, and JOHN C. NEWMAN, Montreal.

FRANK G. WILSON, Saint John; G. R. COTTRELLE, Toronto; D. E. PHIN, J. V. YOUNG, and R. F. INCH, Hamilton.

BOYD WITHERS, comptroller; H. A. J. CHAMBERS, chief engineer and manager of production; F. J. WILLIAMS, treasurer; R. L. COOKE, secretary, Hamilton.

There are still two vacancies on the board of directors.

Robert Simpson Co. 6% preferred shares, having been called for redemption Dec. 4, have been removed from trading on the Toronto Stock Exchange.

Aluminum Price Reduced in U. S.

Further reduction in the price of aluminum has occurred through the offering of a new aluminum product at 14 cents per pound by Aluminum Co. of America. The new product is in "pigs," which average 99% pure, under guarantee, individual pigs assaying higher or lower than the guaranteed average. The former product, ingots, is still being sold, at 15 cents per pound, each ingot being warranted to run over 99%.

The prices quoted apply to the United States, and are regarded as of considerable significance to the balance between the various metals. Copper is quoted in New York at 12 cents per pound, and the U. S. Government is paying as high as 17 cents for extra production.

October Coal Output Down

Month's Total Shows Drop of 9.2% From Year Ago

Canada's coal output is lagging, according to Dominion Bureau of Statistics figures. October's output of 1,588,595 tons was 9.2% below the average for this month over the preceding five years.

Imports of coal were up slightly in October at 2,981,438 tons, including 497,395 tons of anthracite and 2,483,993 tons of bituminous.

Coal is produced in Canada in six provinces with Alberta mining almost 50% of the total. All provinces, with the exception of Manitoba's negligible output, were behind a year ago, the figures comparing as follows:

Coal Output in October

	1942 tons	1941 tons
Alberta	715,145	799,723
Nova Scotia	549,432	696,917
British Columbia	154,503	192,968
Saskatchewan	132,418	168,705
New Brunswick	36,892	45,067
Manitoba	250	125
Total	1,588,595	1,903,605

Canada's coal supplies come mainly from imports, which have been running ahead of last year. For the 10 months ended Oct. 31, 1942, we have imported 21.4 million tons compared with 17.2 million tons for the corresponding portion of 1941.

The cumulative total of domestic production for the same period this year is also slightly ahead of a year ago at 15.5 million tons, compared with 14.6 million tons. The recent decline in output which is attributed to labor shortages.

N.B. Power Board Units at Capacity

Installation of New Grand Lake Unit Will Assure Sufficient Supply

From Our Own Correspondent

MONTREAL.—All plants of New Brunswick Electric Power Commission are operating on a capacity basis, according to the Hon. J. G. Boucher, Chairman of the Commission, who adds that the new turbogenerator will be in operation shortly at the Grand Lake steam plant.

The new equipment, which represents an additional 7,500 kilowatts to the Commission's power plant capacity, was ordered in 1940. It was built in England and despite manufacturing and transportation difficulties has arrived at the Grand Lake plant.

The bringing into service of this new unit will considerably ease the power problem in the territory served by the Commission. Some restrictions in the use of electricity had been in prospect. Plans had been made to limit the use of electricity in stores and other commercial establishments during peak load periods particularly between 5 and 7 p.m. each day.

"The results obtained during November indicate the value of the present Daylight Saving Time," Mr. Boucher said. "This, together with other provisions made to meet the critical peak periods of the day, seems to render the imposition of restrictions unnecessary for the present."

Royal Trust Co. Add to Quebec Board

From Our Own Correspondent

MONTREAL — The Royal Trust Co. announce that W. Q. Stobo and L. T. des Rivieres have been appointed members of the Quebec Advisory Board.

Mr. des Rivieres is a partner of and manager in Quebec of L. G. Beaubien and Co. and Mr. Stobo is president of St. Lawrence Tankers Ltd., vice-president of Canadian Import Co., and director of British Coal Corp.

AQUA COPPER PLANT

Aqua Copper Co. plans construction of "a new copper mining plant and auxiliary buildings estimated to cost $50,000" at a location near Vancouver, according to a dispatch from Vancouver to American Metal Market.

Inquiries invited regarding Canadian Industrial and Mining Investments. We specialize in the Dividend Paying Gold Mines and in new gold mining properties under present active and encouraging development.
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Freight Car Order Delayed

From Our Own Correspondent

MONTREAL.—Plans of the Dominion Transport Controller to apply the maximum loading order to railway freight cars in Canada have been postponed again, this time to Jan. 1 next.

Officially it is stated the postponement was necessitated because of required consideration to a large number of applications for the exception of different commodities from the general order.

Investment Notes

Ontario Nickel Corp.'s six million common shares, $1 par value, have been called for trading on the Montreal Curb Market. These shares were recently listed on the Toronto Exchange and currently are selling around 14c. a share.

* * *

Goodyear Tire & Rubber Co. of Canada has declared an extra dividend of $2.50 a share on its common stock, payable along with the regular quarterly dividend of 63c a share, on Dec. 31, 1942, to shareholders of record Dec. 15. A similar extra was paid for 1941.

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Mine News Helps Gold Rally

Property Developments Add Weight to Good War News

By GORDON M. GRANT

Since Nov. 2, 1942, when General Montgomery's forces began their rout of Axis forces in Egypt, Canadian gold stocks have enjoyed a substantial rise—a rise which has carried many issues from 50 to 90% above their Nov. 2 low prices.

The reason for the sustained rise has been generally accepted as continued military success, hence a shorter war, and a slightly brighter gold mining labor picture as reviewed in The Financial Post last week.

But a study of the varying percentage increases in prices of gold producers indicates that the rise was not entirely uniform; that the position of the individual gold mining company—and its mine—had a great deal to do with the increase in price. Certain groups of gold stocks acted almost in concert, it is noted, but the action of one group of stocks by no means paralleled that of another.

Leaders Moved Together

Issues which have been considered market leaders in the uptrend—Kerr-Addison, Hollinger, Malartic Gold Fields and MacLeod-Cockshutt — have shown a marked similarity in their price action. Recent "highs" for Kerr-Addison, Hollinger and MacLeod-Cockshutt, for instance, have been 44.8, 43.1 and 45% above their Nov. 2 lows, respectively. Dome in a higher price range, moved up 32.1% while Malartic Gold Fields, the lowest price stock of the group, moved up 52.7%.

That these leaders did not experience as great a rise as many issues in the junior gold category and some of the lower priced issues such as Bidgood-Kirkland (90.0%) and Pamour Porcupine (67.6%) may seem anomalous. But this may be due to the fact that the leaders hadn't been depressed as much as the juniors and marginal producers previously. Apparently the market expects the smaller mines to be hit the hardest by the war but also considers they could make rapid comebacks as long as they go on producing.

Mine News Helped

The market leaders which showed such uniformity of price increase on volume trading were assisted upwards by favorable news minewise, it is indicated. It is noted that mines which didn't make outstanding news during the period usually chalked up smaller price increases than the market leaders. McIntyre Porcupine, Bralorne, San Antonio and Buffalo Ankerite in the "little news" category showed price increases of only 16.7, 29.7, 29.8 and 38.1% respectively.

Kerr-Addison, Malartic Gold Fields and Dome have particularly enjoyed the mining news spotlight.

Major Move In Kerr

Shares of Kerr-Addison, moving up to a peak of $4.65 a share, are not far from the peak of $4.90 a share set for this stock in 1941. This market move appears to have been prompted by several developments at the property besides a more favorable international outlook.

Blasting down 270,000 tons of ore at a single "shot," the company a few weeks ago boosted its broken ore reserves to over 850,000 tons or sufficient for over a year's milling—a real bulwark for any gold mine when the labor situation is "tight."

The demonstrated ability of the company to maintain its production and earnings at close to peak levels when the majority of other Canadian gold mining companies have been cutting tonnage, has been considered a favorable market factor.

Tungsten Interesting

Widespread showings of scheelite have been located on the Kerr-Addison property and there is the possibility the company might become Canada's largest producer of tungsten. However, the tungsten present cannot be recovered as a by-product the way it can at most Canadian gold mines and the company's engineers are still working to determine if the expenditure on equipment to produce tungsten is warranted.

The gradual proving up of the "west mine" by underground development has been an outstanding feature at Malartic Gold Fields. With the west mine area indicated to carry 6,000 tons of ore to the vertical foot grading 0.3 oz. gold per ton, a major ore resource may be in the making.

This appears to have been the chief mine factor motivating the upward price trend of Malartic Gold Fields. So far the new ore has been proved to a limited depth only.

Dome News Spectacular

The most spectacular news for any of the gold mine leaders recently has been made by Dome. The molybdenite find in Preissac Twp., Quebec, has been termed of great importance to the war effort; the best molybdenum deposit known in North America outside of the Climax deposit in the western United States.

Shortly after the announcement of the molybdenum find, news was also released of an important Dome tungsten discovery in the Albany area, southwest of Hudson Bay. The importance of this tungsten showing remains to be determined by drilling and other work to be undertaken but preliminary indications suggest the discovery is the best yet made in eastern Canada.

Don't Know Profits Yet

What war metals may mean to Dome in the way of extra profits remains to be seen. But investors have assessed the possibilities as well worth something extra. Buying of shares has come in both from the war metals possibilities and through the switching of Homestake holdings into Dome at New York. Dome production has taken a turn for the better and this may help the company's shares the next week or two.

The "property reason" for Hollinger's rise is perhaps a little different than for other market leaders. News of a reduction in production broke around the end of October and the shares "bottomed out" before the favorable international development began taking place. The favorable news, in other words, caught the stock on the rebound.

Hollinger has been active scouting mineral possibilities in Labrador and the stock has been attracting new speculative interest.

MacLeod A Leverage Issue?

The rise in MacLeod-Cockshutt may have taken place because this is considered by many investors as a "leverage" issue. They think that an early end of the war may mean more to this company than many others. It is pointed out $700,000 has been spent on doubling mill capacity and preparing the mine to deliver 1,000 tons of ore daily but that the higher rate of production has been held up by the "freezing" order limiting the milling rate of gold mines to the average of the first four months of 1942.

Besides the particular significance of favorable international developments to MacLeod-Cockshutt there were several other favorable market factors at work including expansion of ore showings in underground work and successful tests for shipment of arsenic (needed for the war effort) as a by-product.

There is certainly no guarantee that gold mining stock prices as a group may not move lower again shortly, especially if international news should take a turn for the worse. But investors can take comfort that favorable mining news is still being made for individual issues despite the serious labor and supply difficulties facing the industry.

Box Score on Gold Stock Rally

	Low price Nov. 2-3 $	Low price Nov. 7 $	Highest price since $	Price Increase, Nov. 2-3 low to recent high %
Aunor	0.84	1.08	1.33	58.3
Beattie	0.51	0.60	0.69	35.3
Bidgood-Kirkland	0.05¼	0.05½	0.10	90.4
Bralorne	5.55	6.25	7.20	29.7
Broulan Porcupine	0.30	0.32½	0.39	30.0
Buffalo Ankerite	1.05	1.14	1.45	38.1
Canadian Malartic	0.25	0.34	0.40	60.0
Central Patricia	0.52	0.70	0.80	53.8
Chesterville	0.39	0.45	0.62	58.7
Cochenour-Willans	0.48	0.54	0.70	45.8
Conlaurum	0.45	0.50	0.70	55.6
Dome	14.00	15.00	18.50	32.1
East Malartic	0.74	0.99	1.15	55.4
Hallnor	1.50	...	2.40	60.0
Hard Rock	0.30	0.34	0.51	70.0
Hedley Mascot	0.30	0.29	0.38	26.7
Hollinger	5.80	6.45	8.40	44.8
Kerr-Addison	3.25	3.55	4.65	43.1
Kirkland Lake	0.37	0.47	0.51	37.8
Lake Shore	7.10	8.25	9.75	37.3
Lamaque	3.00	3.00	3.60	20.0
Leitch	0.45	0.53	0.60½	34.4
Little Long Lac	0.60	0.75	0.90	50.0
Macassa	1.50	1.77	2.19	46.0
Madsen	0.39½	0.47	0.59	49.4
MacLeod-Cockshutt	1.00	1.15	1.45	45.0
Malartic Gold Fields	1.12	1.36	1.71	52.7
McIntyre Porcupine	36.00	38.00	42.00	16.7
McKenzie	0.49	0.60	0.68	38.8
O'Brien	0.39	0.45	0.52	33.3
Omega	0.05¾	...	0.09	56.5
Pamour	0.34	0.50	0.57	67.6
Pickle Crow	1.05	1.37	1.60	52.4
Pioneer	...	1.12	1.29	...
Powell-Rouyn	...	0.40	0.46	...
Preston East Dome	1.12	1.37	1.60	42.9
San Antonio	1.31	1.48	1.70	29.8
Senator-Rouyn	0.16	0.16	0.19	18.1
Siscoe	0.26	0.31	0.40	53.8
Sladen	0.18	0.22	0.27	50.0
Sullivan	0.40	0.47	0.61	52.5
Teck-Hughes	1.22	1.45	1.75	43.4
Upper Canada	0.50	0.62	0.83	46.0
Wright-Hargreaves	1.85	2.00	2.50	35.1

Mining Concentrates

A new tungsten plant has been completed at the Quebec Government mine school at Val d'Or, in Abitibi County, Que.

* * *

Big Bell Mines, Australian producer in which Premier Gold Mining Co. is interested, is continuing production with little recent reduction in operations, it is reported. Labor supply is somewhat shorter, development work has been sharply reduced, and tonnage may have to be cut. But the company is still able to get the supplies necessary to continue. Net is reported down to £1,500-£1,600 a month against last year's net of approximately £42,000.

* * *

Black Donald Graphite Ltd. has been incorporated with a capitalization of 200,000 no par common shares, according to the current issue of the Ontario Gazette. It will take over the Black Donald property in eastern Ontario, it is expected. Graphite is one of the strategic minerals of which Canada is short, and the old Black Donald property is regarded as one of the best known potential sources in Canada.

* * *

Bralorne Mines is reported investigating a cinnabar (mercury) property on Relay Creek, a tributary of Bridge River. This is stated to be the second cinnabar operation taken over. Other war metal properties of Bralorne are said to include a molybdenum prospect near Salmo and a tungsten property in the Lardeau area.

* * *

Little Long Lac Gold Mines has declared a dividend of 7½ cents a share payable Dec. 30, 1942, to shareholders of record Dec. 12; ex-dividend date is Dec. 10. This represents a reduction from the 10 cents a share paid July 15, 1942.

* * *

Quebec increased its gold production to 90,660 oz. in October from 85,044 oz. in September, but the month's total was approximately 1,500 oz. under the Oct., 1941, total of 92,285 oz. Production for the first 10 months of this year totalled 925,286 oz. against 897,092 oz. for the corresponding period of last year. Silver production at 134,911 oz. in October was over 12,000 oz. higher than in September. Outputs of gold and lime in Quebec for the first 10 months of 1942 constitute all-time records while the output of cement is the highest since 1931.

* * *

Negus Mines showed lower production in September than August although tonnage of ore milled was higher. September output was $59,781 from 2,103 tons of ore, an average recovery of $28.42, against $66,740 from 1,894 tons of ore and average recovery of $35.24.

* * *

Sheep Creek Gold Mines has elected C. E. Marr president, replacing the late R. W. Bruhn. Mr. Marr is replaced in the position of vice-president by Major A. E. Jukes, while James Anderson, secretary-treasurer, has been elected a director to fill the vacancy on the board.

* * *

Steep Rock Iron Mines was subject of a recent Ottawa order-in-council which confirmed arrangements made some time ago with the U. S. Government and Ottawa. The U. S. Government gives its endorsement of the Steep Rock project as essential to the war effort and has granted priorities to speed production. The order-in-council also provides authority for waiving the required 30 days' notice-by-advertisement for permission to divert the Seine, draining Steep Rock Lake.

* * *

Zincton Mines has had more men made available for its operations in British Columbia due to the pressing need for zinc for the war effort.

* * *

Snowshoe Gold Mines exploration results proved unsatisfactory prior to Pioneer Gold Mines relinquishing its option. Dr. H. T. James, president, informs shareholders that extension of the intermediate level failed to indicate any commercial ore shoots although occasional interesting assays were secured. Due to the shortage of oil drums, the company was able to convert into cash all the supplies of fuel and lubricating oil on hand in shipping containers. Net receipts from these sources were $1,830.

* * *

Winter flying into the north country is being resumed in many areas. Ski-equipped planes are now operating between Lac du Bonnet and Bissett, between Favorable Lake and God's Lake, and between Kenora and Red Lake. It is expected that flying between Red Lake and Sioux Lookout will be resumed in a few days.

Aunor Nearing Ore at Depth

Work to West Now Approaching Drill-indicated Ore Sections

From Our Own Correspondent

TIMMINS. — Drifting west is now under way at the 1,375 and 1,500-ft. horizons of Aunor Gold Mines and work has reached the stage where there may be interesting developments in the next few weeks.

Drifting has been carried 950 ft. to the west at the 1,500-ft. level along the main shear zone with short lengths of ore opened up.

The drift heading is now under the section in which the main ore structures have been opened up on the 11th and 12th levels. The drift has been swung north on structure and gives evidence of drag folding, with the shear zone dipping closer to vertical than the previous 70 degrees to the north.

Values Over 25 Feet

Arousing interest is a drill hole to the northeast of the drift heading which cut characteristic main zone ore structure over a core length of 25 ft. with ore intersections of 0.17 oz. over 5 ft., 4.58 oz. over 2 ft. and 1 oz. across 1.5 ft. The drift should be in this zone within a few days.

Diamond drilling to depth from a station 1,120 ft. west on the 1,250-ft. level has returned intersections strongly corroborative of the continuity to depth of the main ore structures. The intersections at the 1,375-ft. horizon were 0.16 oz. across 3.7 ft., 0.25 oz. across 5 ft., 0.90 oz. across 4 ft., 0.68 oz. across 3.6 ft., 0.66 oz. over 4.6 ft., 0.23 oz. over 4.1 ft. and 0.17 oz. across 5 ft., or alternatively an average of 0.44 oz. over a core length of 30 ft. or a true width of 13 ft.

The same intersection at the 1,500-ft. level showed 0.55 oz. over 2.4 ft., 1.28 oz. across 2.5 ft., and 0.27 oz. across 3.25 ft., or a calculated true width of 5 ft.

Drifting west on the 1,375-ft. level has been carried 400 ft. to the west in the main shear. At 350 ft. west, transverse diamond drilling cut 0.37 oz. across 7.7 ft. at 72 ft. north of the drift. An intersection at 50 ft. east of this returned 5 ft. of ore structure. When additional drilling has been done, a crosscut will be run for immediate drift development of the indicated ore.

Good Lengths Above

Stoping operations on the 11th and 12th levels have continued to expand the ore structures on these two horizons of the mine with total ore lengths exceeding 1,200 ft. over widths of 8 to 25 ft. of close to 0.30 oz. grade ore.

No exploratory development has been carried out in recent months of the south areas of the mine. On the adjoining Buffalo-Ankerite property to the east, the No. 3 or south ore systems of the latter are being mined from the 1,200 to the 2,000-ft. horizons. Recently, there have been opened up important ore structures of 0.25 oz. grade at 450 ft. east of the Aunor boundary.

Operating profits for the nine months ended Sept. 30, 1942, are estimated at $632,234 with net profit of about $375,000 or 18.77 cents a share after allowing $162,400 for write-offs and rentals and $94,500 for taxation.

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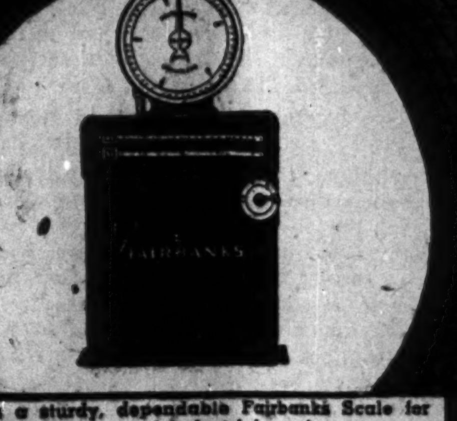

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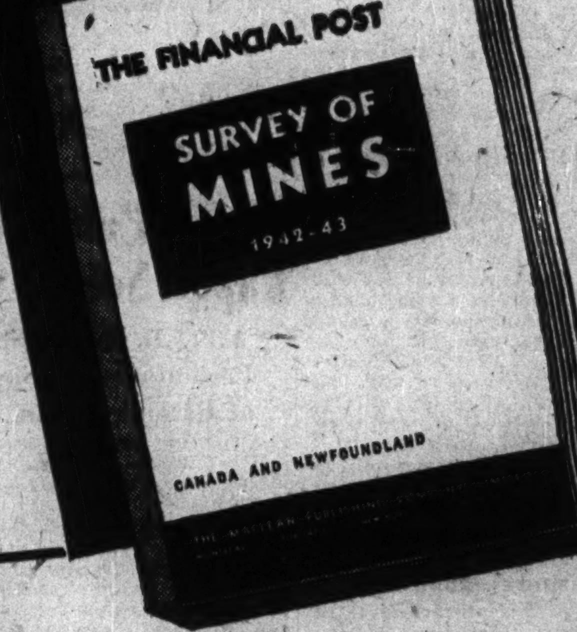

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Are You Paying Too Little or Too Much?

What is the Proper Tax For Your Business to Pay?

To answer the questions involved in today's complicated tax setup, Molyneux L. Gordon, K.C., Toronto, has written this new and authoritative series of articles for The Financial Post.

Mr. Gordon has specialized on tax questions, and is the author of "Digest of Income Tax Cases of the British Commonwealth of Nations," published by the Department of National Revenue, Ottawa, 1939 with one supplement 1937-39 and another to appear next April. Mr. Gordon is also the author of, "Digest of Excess Profits Tax Cases of the British Commonwealth of Nations, 1942." Any of these works may be obtained on application to The Financial Post, Toronto.

Interest and the Taxes

Article Number Twelve

By MOLYNEUX L. GORDON

Interest is taxable when received.[1]

If a bank credits the interest, this is equivalent to a receipt.[2]

If interest becomes in default and the arrears are finally paid up, the taxpayer cannot apportion the income over the back years,[3] but must pay tax on it for the year in which it is received.

Interest paid weekly or monthly is considered yearly interest and assessable.[4]

If a lender stipulates that, in addition to the interest he should receive a bonus, the lender is taxed on the interest plus the bonus,[5] but the debtor will not be allowed to deduct the amount of the bonus from the profits because it is considered a capital payment made for the purpose of obtaining a loan.[6]

When You Buy Bonds

If bonds or debentures are sold, plus accrued interest, the person is taxed who receives the interest.[7] Consequently it is wise to sell your securities shortly before interest is payable because then you avoid tax, and it is unwise to purchase securities shortly before an interest date as you are then buying tax. But if you make a habit of buying and selling securities shortly before interest dates, you might be considered as carrying on a trade and taxed accordingly.

The department prefers to apportion the interest and charge the vendor with interest to the date of sale and credit the purchaser with interest after the date of sale, but there is no authority for this procedure except in the case of a deceased person when the interest is apportioned to the date of death.

Interest on Borrowed Money

If money is borrowed for the purpose of loaning the same to friends or business associates, you may deduct the interest received from the interest paid;[8] but if you do not receive interest from your friends, you cannot deduct the interest you have to pay from the profits of your business because the loan was not made for the purpose of earning the income of your business.

If moneys are borrowed to buy shares, interest paid on the loan is deductible from dividends; but the interest is not deductible from other profits which may be received as a result of the ownership of such shares.

For instance, a man in South Africa[9] borrowed money to purchase 7,500 shares in a company upon condition that he be appointed managing director and claimed he was entitled to deduct the interest on the moneys he borrowed to purchase the shares from the salary he received as manager. The court refused to permit the deduction, but pointed out that he could deduct the interest from the dividends, but unfortunately the company did not earn sufficient profits to declare dividends.

Borrowing to Buy Securities

Interest on moneys borrowed for the specific purpose of buying securities may be deducted from the interest obtained from such securities;[10] but you cannot deduct such interest if you merely showed that you owed money at the time you made the investment.

A large Canadian company which was indebted to the bank purchased $50,000 Victory Bonds and contended it was entitled to set off against the interest paid to the bank the interest received from the bonds. The court held that[11] as the money had not been specifically borrowed to pay for the bonds but, on the contrary, was included in the general overdraft, deduction could not be made.

On the other hand, if the bonds had been pledged to the bank as security for the money borrowed to buy the same, the deduction could have been made.

A judgment which includes interest must be analyzed to see whether any portion is taxable or not. If the judgment is for a fixed amount plus interest, then the interest is assessable;[12] but if the judgment is for damages, any portion of the judgment which consists of interest is non-assessable.

When Interest Payment Stops

If a company fails to pay interest to its debenture-holders, the tax situation may become very acute and may depend entirely upon the form of the procedure adopted. If such company issues to its debenture-holders obligations of a different nature to satisfy the unpaid interest, then the debenture-holders will be taxed on the value of what they received, particularly if such obligations have a market value because profits either in cash or kind are taxable. But if the defaulting company issues to its debenture-holders additional debentures of the same nature to satisfy the unpaid interest, those debentures are nothing more than a promise of the company to pay in the future, and notwithstanding they have a market value the courts have held that tax should not be imposed on promises to pay.

In 1917 a Scottish investment company held certain bonds of the Western Canada Power Co. Ltd. A new company was incorporated under the same name which distributed to the security-holders new bonds of the same denomination together with 7% debentures covering the overdue interest. It was held that[13] as these securities were given by a different company, the market value of the debentures was taxable.

In 1932 the London & Provincial Trust, Ltd., held bonds issued by the Brazilian government. Default was made in payment of the interest but the Brazilian Government offered the bondholders 20-year 5% bonds representing the interest. These bonds were sold by the company and the court held that[14] a promise to pay in the future by a defaulting debtor could not be treated as payment and consequently the receipts from the bonds were non-taxable.

If executors or trustees purchase bonds or debentures at a premium they are permitted to deduct from the income going to the beneficiary the amount necessary to amortize the premium during the life of the bond; but a private investor is charged on the whole amount of the interest.

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(1) Dixon v. Commissioners (1937) 21 T.C. 365; (2) Bhikamchand Laxmichand v. Commissioner (1934) 7 I.T.C. 184; (3) Leigh v. Commissioners (1928) 1 K.B. 73; (4) In re Janes' Settlement (1918) 2 Ch. 54; (5) Inland Revenue v. Nelson (1938) Sc. L.T. 537; (6) Arizona Copper Co. v. Smiles (1891) 3 T.C. 149; (7) Wigmore v. Summerson (1926) 1 K.B. 131; (8) Income Tax Case No. 144 (1929) 4 S.A.T.C. 223; (9) Commissioner v Shapiro (1928) 4 S.A.T.C. 29; (10) re Wallace Realty Co. and City of Ottawa (1930) S.C.R. 387; (11) re Massey-Harris Co. and City of Toronto (1919) 45 O.L.R. 353; (12) Schulze v. Bensted (1915) 7 T.C. 30; (13) Scottish and Canadian v. Easson (1922) 8 T.C. 265; (14) Cross v. London and Provincial (1938) 1 K.B. 792.

Your Income Tax

In this weekly column, The Financial Post answers problems you may have in connection with your business or personal income tax. In some cases, where official ruling has yet to be made, The Post can only cite informed opinion.

Fire Insurance Premiums

Are fire insurance premiums payable on a store deductible from income for income tax purposes? How about fire insurance on a house?

Fire insurance premiums on a store are deductible from income as a business expense. On a house deductibility of insurance premiums would depend on whether the house is a factor in income or not. If it is rented to somebody else the premiums would be deductible. If you live in the house yourself they would not be deductible.

Capital Withdrawn

My wife operates a hotel in her own name. The hotel was bought with her own money. She has her own income and makes her own income tax return. The hotel will show an operating loss this year. But she has withdrawn $25 a week from the business as salary. Can she deduct the amount of the loss from her income of $1,300 when making up her income tax return?

The general policy in cases where a business is run at a loss, we believe, is to regard any money withdrawn as salary as a withdrawal of capital not as income. It is presumed in your wife's case that there are no earnings at all available for her salary. If there were, that part of the $1,300 derived from earnings would be income, the balance would be considered capital. Thus if the hotel gave net earnings of $400 that would be regarded as income, the remaining $900 as capital withdrawn.

Farmers Machinery

I am a farmer and during the past season had considerable expense making repairs to machinery, fences and buildings. Can I deduct these from my income for tax purposes?

Normally you would be allowed to regard these expenses as incurred in earning your income and to deduct them from income when making your return. As, in such cases, the authorities like to know the details, it would be advisable to take up the matter with them for a definite ruling.

Cheque Not Cashed

I am a farmer and this fall I shipped a carload of flax with instructions to hold same for further orders. The flax was sold, however, and I received the cheque for the proceeds.

1. Can I hold the cheque uncashed until after Jan. 1 and include it in next year's income for income tax?

2. Does the excess profits tax apply to farming? If so how are the excess profits determined?

1. Having received the cheque this year it is believed you will have to include it in your 1942 income, unless your income tax inspector, having regard to all the circumstances in the case, authorizes you to do otherwise, which is unlikely.

2. Yes, farmers are liable to excess profits tax. If their profits for the year exceed the average for the four base years 1936, 1937, 1938 and 1939, the excess is considered excess profit. In the case of individual farmers they are not liable for the tax unless profits exceed $5,000.

House Rents

Recently, to engage in war work, I moved away from my home town. As I owned the house in which I lived I rented it to another party when I moved away. I am now paying rent on the house in which I live and the rent I pay is greater than the rent I receive for my own house. Under the income tax regulations, I am told, I have to report the rent I receive from my own house as income, while getting no allowance for the money I pay out as rent on the house in which I live. Is this correct?

Yes. The rent you receive from the house you own is part of your income. The rent you pay out for the house in which you live is not a deductible expense.

Check Publishers' Paper Needs

W.P.T.B. Making Survey Preliminary to Adoption of Rationing Plan

From Our Own Correspondent

MONTREAL—All newspapers and magazines in Canada have been requested to supply information to the Wartime Prices and Trade Board on their use of paper. This step is preliminary to plans for the control of consumption through establishment of quotas for each publication.

A statement accompanying the questionnaire said in part:

"The allocation of paper supply, through the establishment of a quota for each publication, will be based upon the use of paper by each publication during a period to be determined, prior to November 1, 1942. Economies can be effected by a publication, within the limits of any prescribed inventory, may be made without prejudice to the publication's future paper supply quota.

Need for Economy

"There is a direct war need for every economy publisher's can effect in the reduction of their use of paper, materials, labor, transportation and power. Knowledge of this fact will be a sufficient incentive to publishers to make every possible economy through the reduction of the size of their publications, by diminishing or eliminating return and free copies, by cutting advertising, checking copies to two or three, and by making a searching survey of every operation in which waste may be avoided."

The questionnaire for newsprint users asks the amount used in the twelve months ended September 30 and from whom bought. If more than five tons were used in the twelve months, the publication was asked the amount used in the six months ended March 31 and September 30, frequency of issue, average number of pages per issue, and average press run per issue, in each six months period: also, the average press run per issue for the month of October, the over-all single page size, and inventory on hand at March 31, September 30 and October 31.

Standard Fuel Co., Toronto, has declared a dividend of $1 a share on its preferred shares, payable Jan. 1, 1943, to shareholders of record Dec. 15. This makes a total of $4 a share paid on this stock for 1942, which carries a cumulative $6.50 annual dividend, and leaves arrears amounting to $8.75 a share following the Jan. 1, 1943, payment.

Wholesale Sales Hold Steady

Level of wholesale sales in October held about even with a year ago, according to reports to the Dominion Bureau of Statistics from some 300 wholesale trading establishments representing nine different lines of business.

The general unadjusted index of sales stands at 170.7 for Oct., 1942, compared with 177.9 for September and 170.5 for last October. Wholesale sales for the first 10 months were 10% better than the same period of 1941.

The fruit and vegetable trade reported a 20% increase in sales over last October. Sales of tobacco and confectionery wholesalers were up 13% while the drug trade reported a 4% gain. The automotive equipment trade recorded a decline in sales of 18% while hardware wholesalers showed a sales drop of 13%.

Inventory position at the end of October declined by 6% from a year ago.

O. P. A. Watches Paper Prices

From Our Own Correspondent

MONTREAL. — Possible evasion of the U. S. newsprint price ceiling by use of an improper destination for deliveries, has been blocked by the Office of Price Administration which has issued a revised order.

Effective Nov. 16, the new order prohibits newspaper and magazine publishers from taking delivery of newsprint at destinations other than those normally used, if the use of such an "unusual" destination would increase the price above the publishers' legal ceiling cost.

Rail Mileage Cut in 1941

From Our Own Correspondent

MONTREAL.—Canada's move toward elimination of duplicate or uneconomic rail services received a further impetus during 1941. According to the Dominion Bureau of Statistics there was a net reduction of 123.58 in railway mileage. New construction represented 1.09 miles. Against this, abandonment of line totalled 123.72 miles, while remeasurement and reclassification resulted in a further loss of .73 miles.

A list of the principal lines abandoned follows:

Changes in Single Track Mileage Operated by Canadian Railways, 1941

Line: Abandoned	Mileage
Canada Southern:	
Chippewa to Niagara Junction	10.20
Canadian National:	
Turcot West to Eastern Jct.	0.46
Whitby to Port Perry	17.31
Yarker to Tweed	3.94
Hyde Park to Clinton Jct.	22.93
Red Deer Jct. to Red Deer	5.06
Oakland to Delta	5.40
Canadian Pacific:	
Mando to Point Fortune	6.80
Kingsbury to Windsor Mills	9.30
Temiscouta:	
Riviere du Loup to Connors	11.91

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